10. Claims-Made Coverage General Rules

a. Retroactive Date

The Retroactive Date is a specific date on the Declarations Page of the policy. Once a Retroactive Date is established for an insured by the Company, it may not be changed by the Company during a period of continuous coverage.

b. Prior Acts Coverage

The policy may be extended to provide prior acts coverage as follows:

1. The prior acts period may not exceed the term immediately preceding coverage under this policy during which similar coverage was continuously insured under a previous claims-made policy.

2. The limits of liability may not exceed those of the claims-made policy.

3. The appropriate step into which the insured is placed for rating purposes when claims-made coverage has been provided for less than annual periods shall be determined by the six month rounding rule as follows:

Yr. in CM:	1	2	3	4	5	Mature
# of Days:	0 - 182	183 - 547	548 - 912	913 - 1277	1278 - 1642	1643 +

Prior acts coverage when converting from Claims-Made to Occurrence Coverage shall be governed by the following rules:

a. The limits of liability may not exceed those of the occurrence policy to which the Prior Acts endorsement shall be attached.

b. The premium for this Prior Acts Endorsement shall be a one time charge payable in advance and calculated in advance as follows:

1. Determine the applicable Occurrence rate for the dental practitioner.
2. Determine the number of years of claims-made coverage for which prior acts is required.
3. Apply the applicable prepaid factor shown below to the current rate under the Occurrence policy.
4. Prior Acts premium for insureds whose maturity level is not equal to annual period shall be pro-rated.

OCCURRENCE PRIOR ACTS FACTORS

Years of Prior Claims-Made Coverage	Prepaid Factors
1	0.71
2	1.11
3	1.31
4+	1.41

c. If the occurrence policy is terminated prior to full payment of the Prior Acts Coverage charge, the insured may request to purchase an unlimited reporting period for this Prior Acts Coverage. The premium for this extended reporting period shall be a single charge as follows:

1. The portion of the return premium for the remaining policy period, if any, applicable to the Prior Acts Coverage; and
2. The total remaining annual charges, if any, for Prior Acts Coverage remaining to be paid.

c. Unlimited Extended Reporting Coverage

The availability of Extended Reporting Period "ERP" Coverage shall be governed by the following rules for Coverage I, V and VI if a claims-made package policy. If occurrence package policy, ERP for Coverage V and VI will be provided at no charge.

1. Extended Reporting Period coverage shall be available to all named insureds shown on the Declarations Page of the policy as outlined in the policy form on all claims-made coverages.

2. Available Extended Reporting Period coverage options and appropriate premium charges are shown below.

3. The limits of liability may not exceed those provided under the expiring policy.

4. The prior acts date of coverage with this Company shall determine the years of prior exposure for Extended Reporting Period coverage.

5. In the event this policy is canceled, any return premium due the insured shall be credited toward the premium for Extended Reporting Period coverage, if elected. If any premium remains due for the primary claims-made policy, any moneys received from the insured shall first be applied to the premium owed on the policy and then to the Extended Reporting Period coverage.

6. Extended Reporting Period coverage premium is fully earned when paid.

7. The Extended Reporting Period Endorsement will not:

   a. increase the limits of liability;
   b. reinstate the aggregate limit of liability under the expiring policy; or
   c. extend the policy period.

8. Extended Reporting Period coverage premium shall be calculated according to the following rules:

   a. Premium shall be paid in advance.

      A Reporting Period of unlimited duration from the effective date of policy termination shall be issued.

   b. Extended Reporting Premium, is calculated as a percentage of the mature claims-made premium rate in effect at the inception of the current policy period based upon the applicable Dental practitioners classification, level of claims-made coverage maturity and ERP factors as shown below. ERP premium for insureds whose maturity level is not equal to annual period shall be pro-rated for the last annual period.

CLAIMS-MADE EXTENDED REPORTING PERIOD FACTORS

Years of Prior Claims-Made Coverage	Prepaid Factors
1	0.79
2	1.23
3	1.45
4+	1.57

Extended Reporting Endorsement Calculation Steps:

Step 1: Multiply the at limits mature rates by yearly ERP Factors (factor for last completed full claims-made year).
Step 2: Multiply mature rates by yearly ERP Factor (factor for current partial year as if a full year).
Step 3: Obtain the difference between Steps 1 and 2 above (represents portion of full ERP cost attributable to last full year).
Step 4: Apply earned pro-rata factor to Step 3 results (partial maturity year coverage premium).
Step 5: Add results from Steps 1 and 4 to determine extended reporting period coverage premium.

Example Prepaid Calculation:

At Limits Mature Rate = $2,000
Dentists leaving 3 months in 2nd year of claims-made coverage
Earned Pro-rata factor = .25
Prepaid Factors are used in this calculation

Step 1:	$2,000 x .90	= $1,800	(Full Year)
Step 2:	$2,000 x 1.42	= $2,840	(Partial Year)
Step 3:	$2,840 - 1,800	= $1,040	(Difference)
Step 4:	$1,040 x .25	= $260	(Pro-rata Partial Year)
Step 5:	$1,800 + $260	= $2,060	(ERP Cost, Step 1 + Step 4)

9. Death & Disability Benefits:

If a named insured dental practitioner dies or become disabled while this policy is in effect, we will issue the Extended Reporting Period without requiring the payment of any additional premium. Disability shall mean the total and permanent disability from the practice of clinical dentistry for a period of six consecutive months without expectation of recovery.

In order to obtain a waiver of the premium for the Extended Reporting Period, the disability or death must result from sickness or accidental bodily injury and be confirmed in writing by an independent attending physician.

10. Retirement Benefits:

Named insured dental practitioners that fully retire from the practice of dentistry, will be eligible for the waiver or reduction of the Extended Reporting Period premium that may apply. These retirement benefits are not applicable unless they have met our policy premium payment obligations and completely retire from the practice of dentistry. This benefit is not applicable to Organization Coverage.

Retirement benefits are fully earned as follows:

If the policy is terminated due to retirement of the insured at age 50 or more and insured under an FFIC Company for at least 5 years, a credit of one fifth of the otherwise applicable Extended Reporting Period Endorsement premium will be applied for each full annual period the insured has consecutively been insured with the Company.

In order to receive the retirement benefit for the Extended Reporting Period, in whole or in part, proof of the insured's retirement must be sent to us within 60 days following retirement. If the insured owes us any premium, they must pay us before we will issue the Extended Reporting Period.

11. Extended Reporting Coverage is available for ERISA Fiduciary Coverage and Billing Errors & Omissions Coverage. A factor of .75 will apply to the rate.

12. Extended Reporting Coverage is available for Employment Practices Liability increased limits. A factor of .75 will apply to the rate.

d. Change of Exposure

Dental practitioners may change their dental classification or otherwise change the exposure of their practice which may require an additional premium charge to reflect the incurred but not reported claim exposure under a claims-made coverage form of their prior classification or higher exposure.

This charge reflecting the difference between the previous and new such exposure or classification shall be calculated and collected at the time of the change unless:

1. The insured is otherwise eligible for Extended Reporting Period Coverage at no charge under the terms of the policy;

2. The previous and new classification reflects the same premium rate.

3. The following procedure should be used to calculate the exposure surcharge applicable under this rule:

   a. calculate the at limits Extended Reporting Period Coverage premium applicable under the previous classification/exposure.

   b. calculate the at limits Extended Reporting Period Coverage premium under the new reduced classification/exposure.

   c. If the at limits premium for the Extended Reporting Period Coverage for the new classification/exposure is less than the premium for the ERP of the previous classification/exposure, the dollar amount of the difference should be charged.

   d. If the at limits premium for the Extended Reporting Period Coverage for the new classification/exposure is more than the premium for the ERP for the previous classification/exposure, there shall be no premium charge.

B. DENTAL CLASSIFICATIONS

1. Dental Practitioner Classifications

The following definitions shall be used to assist in determining the appropriate classification for an individual dental practitioner based upon the nature of their dental practice. The company reserves the right to determine an individual dentist's classification based upon the dental and anesthetic procedures performed. Any exceptions to these classifications, if any, shall be contained in the respective State Exceptions page.

a. Classification Definitions:

1. Conscious Sedation:

Conscious Sedation means a minimally depressed level of consciousness that retains the patient's ability to independently and continuously maintain an airway and respond appropriately to physical stimulation and verbal commands. This is produced by pharmacological or non-pharmacological methods, or a combination thereof. For purposes of this insurance, the use of oral medication and nitrous oxide solely as an analgesic shall not be considered conscious sedation.

2. Deep Sedation:

Deep Sedation means a controlled state of depressed consciousness or unconsciousness, accompanied by partial or complete loss of protective reflexes, including the inability to independently maintain an airway and respond purposely to physical stimulation or verbal commands. This is produced by a pharmacological or non-pharmacological method, or a combination thereof.

3. General Anesthesia:

General Anesthesia means a controlled state of depressed consciousness or unconsciousness, accompanied by partial or complete loss of protective reflexes, including the inability to independently maintain an airway and respond purposely to physical stimulation or verbal command. This is produced by a pharmacological or non-pharmacological method, or combination thereof.

b. Classification Plan:

Dental Practitioner classifications shall be determined based upon their level of practice exposure as reflected in the area of practice, administration and types of anesthetic agents used and environment in which they are administered. Use the following table of Dental Practitioner classifications to determine the appropriate premium class.

If more than one classification applies, the highest rated classification shall be used for premium rating.

Class	Description	ISO Code*
I.	Dentists other than oral surgeons who perform dentistry on patients who have been treated with:	80211

	Local anesthesia, nitrous oxide sedation and oral medication. Conscious sedation, deep sedation or general anesthesia must be administered by a licensed dental anesthesiologist within the office, in a hospital or state licensed surgical center;	
II.	Dentists other than oral surgeons who perform dentistry on patients who have been treated with: Local anesthesia, nitrous oxide sedation or conscious sedation. Deep sedation or general anesthesia must be administered by a licensed dental anesthesiologist within the office, in a hospital or state licensed surgical center;	88060
III.	Oral surgeons who perform oral surgery on patients who have been treated with: Local anesthesia and nitrous oxide sedation, conscious sedation, deep sedation or general anesthesia.	80210
IV.	Dental Anesthesiologists whose practice includes deep sedation and/or general anesthesia.	88059

***88060 replaces 80211 and 88059 replaces 80151**

The following additional classifications shall be used for internal Company purposes and shall not impact a dental practitioners premium charge unless otherwise noted within the State Exception Pages:

Practice Specialization Classes:

00 General Practitioner
10 Oral Surgeon
15 Endodontist
20 Orthodontist
30 Periodontist
50 Prosthodontist
55 Pediodontist
65 Clinic / Group
70 Full time Professor, Graduate Student or Government Employee
80 Public Health Dentistry
90 Oral Pathologist
95 Forensic Dentist

Anesthetic Classes:

01 Local anesthesia and/or oral medication only
02 01 + Nitrous Oxide
03 02 + Conscious Sedation
04 03 + Deep Sedation or General Anesthesia
05 Dental Anesthesiology

2. Organization/Entity Coverage

It shall be permissible to provide organization/entity coverage for dental practitioner group partnerships, corporations or professional associations for liability arising from the practice of dentistry by member dental providers and allied practitioners.

Classification Code: 80999

The rate for organization/entity coverage on a separate limit of liability basis shall be 10% of the premium for providers.

3. Limited Clinical Practice

Dental practitioners may pose a more limited exposure due to various factors that limit their clinical practice of dentistry. It shall be permissible to cover these dental practitioners at a reduced rate as indicated subject to the following classifications of Limited Clinical Practice **unless stated otherwise on State Rate Pages:**

1.	Part-Time Dentist:	20 hrs./wk. or less	charge 50% of the Dental Rate
2.	Full-Time Professor or Graduate Student	16 hrs./wk. or less	charge 50% of the Dental Rate
3.	Disability/Leave of Absence		charge 0% of the Dental Rate

a. Part-Time Practitioner

Dentists who practice 20 hours or less a week will be eligible for part-time status at 50% premium credit.

b. Teaching Dentists

Dentists may be classified as a Teaching Dentist if they are teaching dentists or graduate students in a state accredited university or dental college who do not engage in any dental practice more than 16 hours per week.

c. Temporary Disability / Leave of Absence

A dentist who becomes Temporarily Disabled or is on a Leave of Absence for a period of 45 days up to 12 months may be eligible for a suspension of practice endorsement if the disability or leave of absence is for the following:

1. Military leave;
2. Pregnancy and/or parental care of a newborn or newly adopted child;
3. Short-term disability;
4. To care for a seriously ill dependent minor child, spouse, parent or parent-in-law;
5. Continuing dental education in an accredited dental school; or
6. Sabbatical Leave

This would apply retroactively to the first day of Disability or Leave of Absence.

Coverage will not apply to Dental Professional Services provided during the Leave of Absence period but will continue to cover claims, which are reported during the Leave of Absence period which occurred subsequent to the Retroactive Date and prior to the Leave of Absence period.

4. Additional Classifications

a. Newly Graduated Dentist

It shall be permissible to offer dentists who are new to the private practice of dentistry a reduced premium charge as indicated below. A newly graduated dentist shall be defined as a dentist who has completed training in dentistry from a domestic accredited university or dental college within the previous twelve months or the experienced military dentist who within 6 months of honorable discharge or a foreign graduate with a 4 year program from an accredited U.S. dental school, and will be joining a dental group or opening a private practice, and for whom this is the first professional liability insurance coverage provided other than that for Dental Examinations.

1.	First Year of Practice	Charge 40% of the Dental Rate
2.	Second Year of Practice	Charge 60% of the Dental Rate
3.	Third Year of Practice	Charge 80% of the Dental Rate

This credit does not apply if a part-time credit is given.

b. Replacement Dentists - Locum Tenens

Coverage for dentists substituting for an insured dentist on a temporary basis may be added to cover the substitute dentists only while acting on behalf of the insured dentist for a defined period. The replacement dentist will share the insured's limits of liability for no additional premium charge. Coverage is available for a maximum of 90 days per policy year.

The replacement dentist shall complete an application and submit it in advance of the effective date of coverage for prior approval by the company.

c. Examination Coverage:

Dental Professional Liability coverage may be written for dental students or individuals (not students) covering dental incidents taking place during Dental Board Examinations. Coverage is provided on an occurrence basis applying to all examinations in a calendar year. Limits of liability are $100,000 per claim /$300,000 annual aggregate. Should the student purchase coverage within 1 year of passing exams, the $25.00 charge will be applied to the professional liability policy premium.

Each Dental Student: $25.00 Flat Charge

d. Dental Societies / Associations:

Dental Professional Liability coverage may be provided to state or local dental societies, associations or organizations established to support the dental profession. The following charge will apply:

Rating Basis:	Premium:
Insured Society	$250.00
Component Society (member society of the insured society)	$100.00

5. Additional Insured(s):

The following may be covered under the policy as an Additional Insured(s) on a shared limits of liability basis with the Named Insured dental practitioner or group. Eligible Additional Insureds and premiums shall be as follows:

TYPE:		Premium Charge:
A.	Contingent Interest 159005: Any predecessor dentist or professional corporation who may be liable for the acts of the insured as a result of the use of the name of the predecessor dentist or professional corporation by the named insured.	10% of PL Premium
B.	Operations 159010: Any person or organization for whom the insured performs dental services under contract. Provides coverage to additional insured for vicarious liability of our insured.	10% of PL Premium
C.	Lessor of Equipment 159008: Lessor of equipment leased to the insured for GL coverage.	N/C
D.	Waiver of Subrogation Rights 159035: A waiver of transfer rights of recovery may be granted for specific persons or organizations for whom the insured performs dental services under contract.	$138

6. Independent Contractors

10% of the insured's professional liability premium will be charged per independent contractor for the vicarious liability exposure assumed by the insured. Does not apply if independent contractor is insured with the Company.

C. ADDITIONAL COVERAGE / RATING RULES

1. Individual Risk Modification Plan

To recognize these individual and unique characteristics within each dental practitioner account, it shall be permissible to apply an Individual Risk Premium Modification IRPM debit and/or credit to the rates and premiums otherwise developed, depending on the underwriter's overall evaluation of the account's risk.

The following outlines the criteria upon which IRPM debits and/or credits may be applied to an individual account. The maximum IRPM debit or credit that may be applied on any one account is subject to state regulations governing IRPM Plans and any variances are contained in the State Rate pages.

The following IRPM Plan credits and/or debits are to be added together on an individual basis to determine one overall IRPM Plan credit or debit modification applicable to the entire account. The maximum modification for professional liability premiums for dental practitioners shall not exceed 25%.

Risk Characteristics		% Credit	% Debit
a.	Procedure Mix: Procedure or practice specialties not contemplated in basic rates. Examples include general dentists with large proportions of surgical implants, surgery, TMJ treatment, use of sargenti, endodontics or claim frequency.	0 - 25%	0 - 25%
b.	DBE Actions: Any Dental Board of Examiners action or peer review or accreditation action reflecting potentially increased exposure.	N/A	0 - 25%
c.	Unusual Risk Characteristics: Any unique characteristics of the dental practice which reflects reduced or increased exposure. ie. Cosmetic procedures	0 - 25%	0 - 25%

2. Experience Rating Plan

An experience rating plan debit or credit shall be applied based upon an insured dentists claims experience in the preceding five (5) year period. The criteria used to determine the application of this experience rating debit or credit shall include the following:

a. The number of claims
b. The total incurred losses
c. Total paid losses
d. Total paid expenses
e. The cause of these losses
f. Corrective actions taken for subsequent loss prevention
g. Areas of specialization

3. Loss Prevention/Risk Management Credit

Dentists who participate in a Company sponsored or approved loss prevention program / risk management program will be eligible for a 7.5% Risk Management Discount for a period of 3 years. **(Unless stated otherwise on State Rate Pages.)**

4. Deductibles

It shall be permissible to offer deductibles applicable to the Dental Professional Liability coverage which shall apply on a per claim basis, on indemnity payments only and shall not be subject to an annual aggregate. This credit applies to the basic limits premium ($1,000,000/$3,000,000). Deductibles may vary by state, refer to State Rate Pages for variances. The deductible options shall be as follows:

Options	Deductible Amount	Credit Factor
Option 1	$1,000	0.05
Option 2	$2,500	0.10
Option 3	$5,000	0.19
Option 4	$10,000	0.30

5. Academy of General Dentistry Membership

Academy of General Dentistry Membership – Members in good standing who have completed the following requirements are eligible for membership credit:

Application Requirements	Credit
Membership Maintenance Members must earn 75 hours of continuing dental education during their 3-year review period. Recent graduates have 5-years.	10%
Fellowship Award Requirements Fellowship requires 5 continuous years (50 consecutive months of membership in AGD, plus 500 hours of approved continuing education credit at least 350 of which is earned in course attendance). Accepted activities for Fellowship credits are: Scientific Programs Postgraduate Education Federal Dental Service Specialty Rotation Programs Self-Instruction Programs Self-Improvement AGD approved courses	15%
Mastership Award Requirements Mastership requires Fellowship status in the AGD, plus completion of 600 credit hours of approved continuing education in each of 16 separate disciplines: Myofascial Pain Dysfunction/Occlusion Operative Dentistry Periodontics Fixed Prosthodontics Removable Prosthodontics Endodontics Oral & Maxillofacial Surgery Orthodontics Pediatric Dentistry Basic Sciences Oral Medicine/Oral Diagnosis Practice Management Electives Implants Special Patient Care Esthetics	20%

Coverage Options:

6. ERISA Fiduciary Liability Coverage

ERISA Fiduciary Liability Coverage is available as follows:

$100,000 Limit	$130 Annual Premium

7. Employment Practices Liability – Increased Limits

The applicable flat rate in the following table shall be applied to each named insured policy:				
Number of Employees:	Limits of Liability $100,000	$250,000	$500,000	$750,000
1 - 3	268	360	451	494
4	358	480	601	659
5	447	600	752	823
6	537	720	902	988
7	626	839	1,052	1,153
8	716	959	1,203	1,317
9	805	1,079	1,353	1,482

Deductible - $2,500 Mandatory

8. Billing Errors & Omissions Coverage

Coverage is available as follows:

$25,000 Limit $100 Annual Premium

9. Deletion of Business Liability Coverages - (General Liability)

Policies may be written to provide coverage for Dental Professional Liability only by eliminating the supplementary Business Liability coverages (Option #1 "Dental Professionals Program"). A 10% premium credit shall be applied to the rates in the premium rate tables.

10. Packaging of Coverages:

If the insured purchases a Fireman's Fund American Business Coverage (ABC) in conjunction with the Dental Professional and Business Liability coverage (Dental Professionals Program), a package credit of 10% shall be applied to all Dental Professional and Business Liability premiums. Coverage II, Dentists General Liability section of the Dental Professionals Program shall be deleted, as Comprehensive General Liability is included in the American Business Coverage package.

11. Group Discounts

A single group practice policy issued to two or more dentists is eligible for a premium discount based upon the total number of dentists and oral surgeons within the group. This discount is based on the size of the group to reflect the lower acquisition costs, reduces administrative expenses (including billing and collection) and the potential savings due to lower losses. (Group Practice appears to reduce losses due to internal risk management and other control and quality factors inherent in the group.) The following discounts are applicable:

Group Size	Premium Credit
2 – 5 Dentists	5%
6 – 10 Dentists	10%
11+ Dentists	15%

FIREMAN'S FUND INSURANCE COMPANIES
DENTAL PROFESSIONALS PROGRAM BUSINESS LIABILITY PLAN
STATE EXCEPTION PAGES
ILLINOIS (12)

I. Rating Territories:

Territory I: Cook County
Territory II: Remainder of State

II. Dental Practitioner Rates:

1. Premium Rate Tables:

MATURE CLAIMS MADE RATES
($1,000,000/$3,000,000 Limits)

Dental Classification	Territory I	Territory II
I	$1,704	$1,065
II	$2,130	$1,331
III	$2,556	$1,598
IV	$3,408	$2,149
V	$13,632	$8,520

OCCURRENCE RATES
($1,000,000/$3,000,000 Limits)

Dental Classification	Territory I	Territory II
I	$1,823	$1,140
II	$2,279	$1,425
III	$2,735	$1,710
IV	$3,646	$2,280
V	$14,584	$9,120

2. Claims-Made Step Factors

These factors apply to the mature claims-made rate:

Years of Claims-Made Coverage		**Dentists**	**Oral Surgeons**
Claims-Made Year	**# of Days**	**Step Factors**	**Step Factors**
Year 1	0 - 182	0.29	0.29
Year 2	183 - 547	0.54	0.54
Year 3	548 - 912	0.73	0.73
Year 4	913 - 1277	0.81	0.81
Year 5	1278 - 1642	0.90	0.90
Mature Claims-Made	1643 +	1.00	1.00

FIREMAN'S FUND INSURANCE COMPANIES
DENTAL PROFESSIONALS PROGRAM BUSINESS LIABILITY PLAN
STATE EXCEPTION PAGES
ILLINOIS (12)

3. Increase / Decrease Limits

The following increase limit factors shall apply to occurrence and claims-made coverages as follows:

Option	Limit of Liability (Professional)	Increase / Decrease Factors Dentists	Increase / Decrease Factors Oral Surgeons
A	$100,000 / $300,000	0.782	0.500
B	$200,000 / $600,000	0.890	0.625
C	$500,000 / $1,500,000	0.946	0.813
D	$1,000,000 / $3,000,000	1.000	1.000
E	$2,000,000 / $6,000,000	1.150	1.206
F	$3,000,000 / $6,000,000	1.250	1.309
G	$4,000,000 / $6,000,000	1.300	1.377
H	$5,000,000 / $6,000,000	1.350	1.428

4. Extended Reporting/Prior Acts Period Coverage Factors

The factors in the table below shall be applied to the mature claims made rate in effect at the inception of the terminated policy. The extension period shall be unlimited unless otherwise noted.

The insured is provided an automatic 60 day election period to purchase Extended Reporting Period Coverage.

CLAIMS-MADE EXTENDED REPORTING PERIOD FACTORS

Years of Prior Claims-Made Coverage	First Year	Second Year	Third Year	Prepaid Factors
1	0.31	0.23	0.30	0.79
2	0.51	0.35	0.46	1.23
3	0.61	0.49	0.46	1.45
4+	0.73	0.49	0.46	1.57

OCCURRENCE PRIOR ACTS FACTORS

Years of Prior Claims-Made Coverage	First Year	Second Year	Third Year	Prepaid Factors
1	0.28	0.25	0.22	0.71
2	0.45	0.41	0.32	1.11
3	0.55	0.44	0.40	1.31
4+	0.62	0.45	0.42	1.41

FIREMAN'S FUND INSURANCE COMPANIES
DENTAL PROFESSIONALS PROGRAM BUSINESS LIABILITY PLAN
STATE EXCEPTION PAGES
ILLINOIS (12)

III. Amended Professional Liability Rules

A. Under Section **A. GENERAL GUIDELINES**, the following amendments are made:

1. The following rule is added:

Premiums – Installment Payment Options

Premiums are payable on policies as stated on the Declarations when issued. 2 payment options are currently available. Premiums are due at the inception of the policy term, unless installment payment option is chosen as follows:

Bill Plan	Down Payment	Installment Amount	Billing Date	Service Fee
Four Pay	40% down	3 installments @ 20% each	Inception, 90 days, 180 days, 270 days	$5.00 per policy period, payable at inception.
Four Pay	25% down	3 installments @ 25% each	Inception, 90 days, 180 days, 270 days	$5.00 per policy period, payable at inception.

Mid-term policy changes resulting in premium adjustments will be spread equally over the remaining installments. If there are no remaining installments, premiums resulting from such changes will be billed immediately as a seperate transaction. There are no interest charges.

2. Item **9. Restrictions of Coverage or Increased Rate** is deleted in its entirety and not replaced.

B. To section **B. DENTAL CLASSIFICATIONS**, the following revisions are made:

(1) Subsection **b. Classification Plan** is deleted and replaced with the following:

b. Classification Plan:

Dental Practitioner classifications shall be determined based upon their level of practice exposure as reflected in the area of practice, administration and types of anesthetic agents used and environment in which they are administered. Use the following table of Dental Practitioner Classifications to determine the appropriate premium class.

If more than one classification applies, the highest rated classification shall be used for premium rating.

All percentages are based upon the *number* of procedures performed in the practice.

Class 1	**DENTAL CLASS I** **NON-INVASIVE OR MINIMALLY INVASIVE PROCEDURES AND SELECT SPECIALTIES**
	Specialists:
	Endodontist
	Orthodontist (simple extractions up to 25% of procedures)
	Public Health Dentist
	Periodontist (surgical placement of implants up to 25% of procedures)
	Prosthodontist (surgical placement of implants up to 25% of procedures)
	Pediatric Dentist
	Oral Pathologist

FIREMAN'S FUND INSURANCE COMPANIES
DENTAL PROFESSIONALS PROGRAM BUSINESS LIABILITY PLAN
STATE EXCEPTION PAGES
ILLINOIS (12)

	General Dentists performing the following procedures:	
		Diagnostic
		Preventative
		Restorative
		Non-surgical TMJ treatments – mouth guards and splints
		Cosmetic whitening, veneers
		Restorative Implants up to 15% of practice (based on number of procedures)
		Endodontia – up to 25% of practice (based on number of procedures)
		Prosthodontia – up to 25% of practice (based on number of procedures)
		Periodontia – up to 25% of practice (based on number of procedures)
		Oral surgery (up to 25% of total practice, based on number or procedures; simple extractions only, no full bony or partial bony impactions)
	This classification applies to all DDS's or DMD's who are Board Eligible or Certified Specialists in the above areas; or are General Practitioners and who use local, nitrous oxide or oral conscious sedation. This classification also applies to all dentists who provide services to patients who have been administered deep sedation or general anesthesia in their office, or in a hospital, or surgi-center by an MD / nurse anesthetist, dentist anesthetist, or oral surgeon not in their employ.	
Class 2	**DENTAL PROCEDURES LEVEL II & SPECIALIZED AREAS OF PRACTICE/PROCEDURES:**	
	Applies to all General Dentists:	
	With 25% or greater percentage of practice (in any one category) in the specialty areas of Prosthodontics and/or Endodontics, surgical Periodontal procedures, Orthodontics or oral surgery (*simple extractions only, no extractions of full or partial bony impacted teeth*).	
	For classification purposes all dentists whose procedures exceed 25% or more in the above specialized areas of practice will be rated under this classification.	
Class 3	**DENTAL PROCEDURES LEVEL III & SPECIALIZED AREAS OF PRACTICE/PROCEDURES:**	
	Applies to all Specialists (except Oral Surgeons) and General Dentists:	
	Extractions of full or partial bony impacted teeth	
	Applies to all General Dentists:	
	Implant restorations that exceed 15% of the total practice	
	This classification applies to all General Dentists DDS's or DMD's whose practice specializes in providing implants. For classification purposes all insureds that treat 15% or more of their patients for implants will be rated under this classification.	
Class 4	**ANESTHESIA CLASS (CURRENTLY CLASS II OR B)**	
	Anesthesia	I.V. Conscious Sedation I.M. Conscious Sedation Sub-cutaneous conscious sedation
	Anesthesia: This classification contemplated the insured dentist administering the sedation and performing the dental procedure.	
Class 5	**Oral & Maxillofacial Surgeons and Dentist Anesthesiologists**	
	Anesthesia	In-Office Includes General Anesthesia
	This classification applies to all Oral Surgeons and Dental Anesthesiologists. This classification would also apply to any DDS or DMD who administer and treat patients under I.V. or I.M. conscious sedation or deep sedation or general anesthesia in their office. Proof of their education and training would need to be secured prior to proceeding (see comments under General Anesthesia).	

FIREMAN'S FUND INSURANCE COMPANIES
DENTAL PROFESSIONALS PROGRAM BUSINESS LIABILITY PLAN
STATE EXCEPTION PAGES
ILLINOIS (12)

(2) Rule **3., 3. a. Part-Time Practitioner** is deleted and replaced by the following:

Dentists who practice 20 hours or less a week will be eligible for part-time status at 40% premium credit.

C. Section **C. ADDITIONAL COVERAGE / RATING RULES,** the following revisions are made:

(1) Rule **1. Individual Risk Premium Modification Plan** is amended as follows:

a. The maximum modification (+ / -) for professional liability premiums for dental practitioners shall not exceed 40%.

b. Part a. Procedure Mix has been modified to state as follows:

Procedure or practice specialties not contemplated in basic rates. Examples include general dentists with large (greater than 25%) proportions of their practice involving surgical implants, surgery, TMJ treatment, use of sargenti, endodontics or claim frequency.

(2) Rule **2. Experience Rating Plan**, is deleted and replaced by the following:

An experience rating plan debit or credit shall be applied based upon an insured dentists claims experience in the preceding five (5) year period. The criteria used to determine the application of this experience rating debit or credit shall include the following in determining the debit:

a. The number of claims – frequency or pattern, isolated claim
b. The total incurred losses – indemnity and expense reserves
c. Total paid losses – indemnity paid and expenses paid
d. The cause of these losses – professional conduct
e. Corrective actions taken for subsequent loss prevention – Continuing education and risk management, disciplinary body activity
f. Areas of specialization – nature of practice, training

Total Indemnity and/or Total Reserves	$0 - $10,000	$10,001 - $20,000	$20,001 - $40,000	$40,001 - $60,000	$60,000 - $75,000	$75,001 & Over
	Debit	Debit	Debit	Debit	Debit	Debit
1 claim	0 - 10%	10% - 20%	20% - 30%	30% - 40%	40% - 50% Refer	50% - 75% Refer
2 claims	10% - 20%	20% - 30%	30% - 40%	40% - 50%	50% - 75% Refer*	Refer*
3 claims Refer**						

*Consider for non-renewal or apply highest debit allowed
**Should consider for non-renewal

Rating of claims and use of experience rating plan shall not be excessive, inadequate or unfairly discriminatory.

(3) Rule **3. Loss Prevention/Risk Management Credit** is deleted and replaced by the following:

Dentists who participate in a Company sponsored or approved loss prevention program/risk management program will be eligible for a 5% Risk Management Discount for a period of 3 years.

FIREMAN'S FUND INSURANCE COMPANIES
DENTAL PROFESSIONALS PROGRAM BUSINESS LIABILITY PLAN
STATE EXCEPTION PAGES
ILLINOIS (12)

(4) Rule 4. **Deductibles** is deleted and replaced with the following:

It shall be permissible to offer deductibles applicable to the Dental Professional Liability coverage which shall apply on a per claim basis, on indemnity payments only and shall not be subject to an annual aggregate. This credit applies to the base premium. The deductible options shall be as follows:

Options	Deductible Amount	Credit Factor
Option 1	$1,000	0.05
Option 2	$2,500	0.10
Option 3	$5,000	0.19
Option 4	$10,000	0.30

(5) Claim-Free Discount

A claim-free discount of 10% shall be applied. To be eligible the following criteria must be met:

No claim of $500 or more incurred indemnity and ALAE in the last 5 years.

Note: A combination of a maximum of 2 claims is allowable for this discount.

(6) A credit of 5% will be applied to each dentist who is a member of the Dental Association/Society.

FIREMAN'S FUND INSURANCE COMPANIES
Dental Professionals Program Business Liability Plan
RULES and RATES MANUAL

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A. GENERAL GUIDELINES

1. Application of General Rules

This manual provides the rules, rates and classifications for writing Professional Liability and Business Liability coverages for dental practitioners as follows:

a. Individual Dental Practitioners
b. Dental Practitioner Groups

Any exception to these rules shall be contained in the respective State Exceptions page.

a. Individual Dental Practitioners

For the purposes of these rules, Individual Dental Practitioners shall be defined as a dentist practicing as a solo practitioner, partner(s), of an insured partnership, officers of a professional corporation or association, or employed practitioners who are otherwise ineligible under the rules applicable to Dental Practitioner Groups.

b. Dental Practitioner Groups

For the purposes of these rules, Dental Practitioner Groups shall be defined as a group of dental practitioners who are members of an association, organization, legal entity group dental practice or similar dental practitioner group for which an insurance program has been developed.

2. Coverages Available

The coverage available under the Dental Professionals Program Business Liability Plan shall include Dental Professional Liability and additional Business Liability coverages as outlined below and within the specific policy forms and endorsements. Dental Professional Liability is available on an Occurrence or Claims-Made Basis.

Option I: "Dental Professional Liability" (Monoline PL) (Mandatory Minimum Coverage)
Option II: "Dental Professional Program" (Professional and General Liability)

Coverage I Dental Professional Liability plus additional Business Liability coverages as outlined below and within the specific policy forms and endorsements.

Coverage		Coverage Type
II.	Dentist's General Liability Including: a. Premises, Products/Completed Operations b. Medical Payments - $10,000	Occurrence
III.	Nonowned & Hired Auto Liability	Occurrence
IV.	Employee Benefits Administration Liability	Occurrence
V.	Employment Practices Liability - $5,000	Claims-Made
VI.	Medical Waste Legal Reimbursement - $50,000	Claims-Made

The additional Coverages II - VI available under the Dental Professionals Program package are available on an all or none basis (Coverage I Dentists Professional Liability may be written on a monoline basis, see "Dental Professional Program" shown above).

Option III: "Dentist's Liability Package"

3. Limits of Liability

	Coverage I Professional Option	Coverage II, III & IV GL, Hired & NO, Employee Benefit	Coverage V Employment Practices	Coverage VI Medical Waste Legal
A	$100,000 / $300,000	$100,000 / $300,000	$5,000 / $5,000	$50,000 / $50,000
B	$200,000 / $600,000	$200,000 / $600,000	$5,000 / $5,000	$50,000 / $50,000
C	$500,000 / $1,500,000	$500,000 / $1,500,000	$5,000 / $5,000	$50,000 / $50,000
D	$1,000,000 / $3,000,000	$1,000,000 / $3,000,000	$5,000 / $5,000	$50,000 / $50,000
E	$2,000,000 / $6,000,000	$2,000,000 / $4,000,000	$5,000 / $5,000	$50,000 / $50,000
F	$3,000,000 / $6,000,000	$2,000,000 / $4,000,000	$5,000 / $5,000	$50,000 / $50,000
G	$4,000,000 / $6,000,000	$2,000,000 / $4,000,000	$5,000 / $5,000	$50,000 / $50,000
H	$5,000,000 / $6,000,000	$2,000,000 / $4,000,000	$5,000 / $5,000	$50,000 / $50,000

Coverage II Dentists General Liability, Coverage III Nonowned & Hired Auto Liability and Coverage IV Employee Benefits Administration Liability limits must be equal to the limits of liability listed in the table above for the option selected by the insured.

Coverage VI, Medical Waste Legal Reimbursement limits may not be increased under this program.

Coverage V Employment Practices Liability limits may be increased to $25,000 each claim/$25,000 aggregate for an additional premium charge of $130.00. Additional increased limits are available.

Premium rates are published at the $1,000,000 / $3,000,000 (Professional Liability) limits rate. Any exceptions to this rule shall be contained within the State Rate Pages.

4. Policy Term

Policies may be written for a term of one year and shall be subject to annual rate and underwriting review.

5. Policy Cancellations

a. Compute the return premium on a pro rata basis using the rules, rates and rating plans in effect at policy inception when:

1. a policy is canceled at the company's request;
2. the insured no longer has a financial or insurable interest in the business operation that is the subject of insurance; or
3. a policy is canceled and rewritten in the same company or company group.

b. If coverage is canceled at the insured's request, the company may compute the return premium at 90% of the pro rata unearned premium.

6. Premium Computation

Premium computation shall be governed by the following rules:

a. Premium shall be computed at policy inception by using the rules, rates and rating plans in effect at policy inception. At subsequent renewals, compute the premium using the rules, rates and rating plans in effect at that time.

b. All rates shown on the State Rate Pages are for an annual period except those applicable to any Extended Reporting Period. Premium shall be prorated when a policy is issued for less than one year.

c. Premium and rates are to be rounded to the nearest whole dollar. Any amount of $.50 or over shall be rounded to the next highest whole dollar. Any amount of $.49 or under shall be rounded to the next lowest whole dollar.

d. Where applicable, factors or multipliers are to be applied consecutively and not added together. Rates, factors and multipliers are to be rounded after the final calculation of premium to three decimal places. Five tenths or more of a millionth shall be considered to be one thousandth (e.g., .4315 = .432).

7. Mid-Term Premium Changes

a. Waive additional or return premium charges of $15 or less. Grant any return premium due if requested by the insured.
b. Prorate all changes using the rates and rules in effect at policy inception.
c. Mandatory Dental Professional Liability coverage may not be deleted unless the entire policy is canceled.

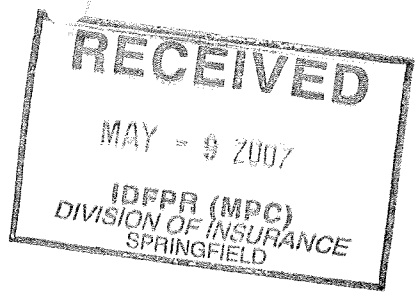
8. Location of Practice/Exposure

The rates indicated on the State Rate Pages are predicated on the exposure being derived from professional practice within the state. Insureds whose practice exposure is greater than 25% outside the state shall be referred to the Company for underwriting approval and rating.

9. Restrictions of Coverage or Increased Rate

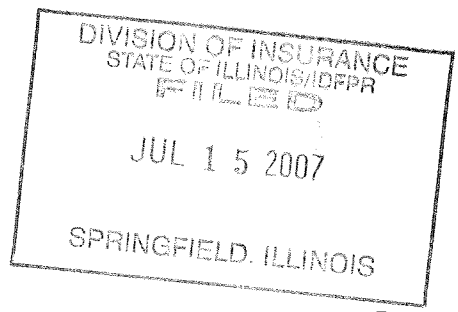
Subject to individual state regulations, policies may be issued with special restrictions or at increased premiums if the insured agrees in writing and the policy would not otherwise be written.

Any (a) rated risk written under this program shall maintain a complete file, including all details of the factors used in determining the rate modification and make such file available to state regulators upon request. Rates shall not be inadequate, excessive or unfairly discriminatory and will follow individual state regulations.



May 8, 2007

Honorable Michael T. McRaith
Director of Insurance
Illinois Department of Financial and Professional Regulation
Division of Insurance
320 West Washington Street
Springfield, Illinois 62767



Attention: Mr. John Gatlin
Supervisor, Property and Casualty Compliance Unit

RE: The American Insurance Company - NAIC #: 0761-21857 - FEIN #: 22-0731810
Dentist's Professional Liability – Rate and Rule Filing
Company Filing Number: TANE DPL IL 07 07 RR
Effective Date: July 15, 2007

Dear Mr. Gatlin,

The American Insurance Company submits for your review and approval revised rates and rules designed for use with our Dentist's Professional Liability program.

In conjunction with the rate filing, we have redesigned our State Exception Pages. These changes are detailed in our actuarial and rule memorandums. The overall rate effect of the changes is an increase of 14.4% for the Occurrence and Claims-Made businesses.

In support of this revision you will find our actuarial memorandum and exhibits, the required state specific forms, our countrywide rules and rate manual and memorandum, and our revised exception pages.

We request this filing be approved for all policies effective on or after July 15, 2007.

If there are any questions regarding the submission, please do not hesitate to contact me at 312-456-5146 or dsowell@ffic.com.

Respectfully,

Diane Sowell
Regulatory Affairs Lead

Fireman's Fund
Insurance **Companies**
A member of the
Allianz Group

Fireman's Fund Insurance Company
33 West Monroe St
Ste 1200
Chicago, IL 60603-9911

I-O
MEM
RAT

ILLINOIS CERTIFICATION FOR MEDICAL MALPRACTICE RATES

(215 ILCS 5/155.18)(3) states that medical liability rates shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience.

I, Joseph Shores, a duly authorized officer of Fireman's Fund Insurance Companies, am authorized to certify on behalf of the Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

I, Jayme Stubitz, a duly authorized actuary of Fireman's Fund Insurance Companies, am authorized to certify on behalf of Fireman's Fund Insurance Companies making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

Signature and Title of Authorized Insurance Company Officer — Vice President — 5/8/2007 (Date)

Signature, Title and Designation of Authorized Actuary — Actuarial Director, ACAS, MAAA — 5/8/2007 (Date)

Insurance Company FEIN 22-0731810 Filing Number TANE DPL IL 07 07 RR

Insurer's Address 33 West Monroe Street, Suite 1200, Chicago IL 60603

City Chicago State Illinois Zip Code 60603

Contact Person's:

-Name and E-mail Diane Sowell dsowell@ffic.com

-Direct Telephone and Fax Number 312.456.5146

Form (RF-3)

SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective July 15, 2007

	(1) Coverage	(2) Annual Premium Volume (Illinois)*	(3) Percent Change (+ or -)**
1.	Automobile Liability		
	Private Passenger		
	Commercial		
2.	Automobile Physical Damage		
	Private Passenger		
	Commercial		
3.	Liability Other Than Auto		
4.	Burglary and Theft	91,746	+14.4%
5.	Glass		
6.	Fidelity		
7.	Surety		
8.	Boiler and Machinery		
9.	Fire		
10.	Extended Coverage		
11.	Inland Marine		
12.	Homeowners		
13.	Commercial Multi-Peril		
14.	Crop Hail		
15.	Other Medical Malpractice (Line of Insurance)	1,936,868	+14.4%

Does filing only apply to certain territory (territories) or certain classes? If so, specify:
Dentists

Brief description of filing. (If filing follows rates of an advisory organization, specify organization):
The overall Illinois rate effect of these changes is an increase of +14.4% to the Dental program.

* Adjusted to reflect all prior rate changes.
** Change in Company's premium level which will result from application of new rates.

Filing# TANE DPL IL 0707 RR

DENTAL CLASS I - NON-INVASIVE OR MINIMALLY INVASIVE PROCEDURES AND SELECT SPECIALTIES
DENTAL PROCEDURES LEVEL II & SPECIALIZED AREAS OF PRACTICE/PROCEDURES:
DENTAL PROCEDURES LEVEL III & SPECIALIZED AREAS OF PRACTICE/PROCEDURES:
CLASS 4: ANESTHESIA CLASS
CLASS 5: ORAL & MAXILLOFACIAL SURGEONS AND DENTIST ANESTHESIOLOGISTS

Chicago Insurance Company
Name of Company

Proposed Class	Proposed Relativity	Current Relativity	Change
Class 1	1.00	1.00	0.0%
Class 2	1.25	1.00	25.0%
Class 3	1.50	1.00	50.0%
Class 4	2.00	2.00	0.0%
Class 5 (currently Class 3)	8.00	6.00	33.3%
Class 5 (currently Class 4)	8.00	7.00	14.3%

Joseph Shores,
Regional Underwriting Executive
Official - Title

Form (RF-3)

SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective July 15, 2007

(1) Coverage	(2) Annual Premium Volume (Illinois)*	(3) Percent Change (+ or -)**
1. Automobile Liability		
Private Passenger		
Commercial		
2. Automobile Physical Damage		
Private Passenger		
Commercial		
3. Liability Other Than Auto		
4. Burglary and Theft		
5. Glass		
6. Fidelity		
7. Surety		
8. Boiler and Machinery		
9. Fire		
10. Extended Coverage		
11. Inland Marine		
12. Homeowners		
13. Commercial Multi-Peril		
14. Crop Hail		
15. Other Medical Malpractice (Line of Insurance)	$2,028,614	+14.4%

Does filing only apply to certain territory (territories) or certain classes? If so, specify:
Dentists

Brief description of filing. (If filing follows rates of an advisory organization, specify organization):
The overall Illinois rate effect of these changes is an increase of +14.4% to the Dental program.

* Adjusted to reflect all prior rate changes.
** Change in Company's premium level which will result from application of new rates.

DENTAL CLASS I - NON-INVASIVE OR MINIMALLY INVASIVE PROCEDURES AND ELECT SPECIALTIES

ENTAL PROCEDURES LEVEL II & SPECIALIZED AREAS OF PRACTICE/PROCEDURES:

ENTAL PROCEDURES LEVEL III & SPECIALIZED AREAS OF PRACTICE/PROCEDURES:

LASS 4: ANESTHESIA CLASS

LASS 5: ORAL & MAXILLOFACIAL SURGEONS AND DENTIST ANESTHESIOLOGISTS

Proposed Class	Proposed Relativity	Current Relativity	Change
Class 1	1.00	1.00	0.0%
Class 2	1.25	1.00	25.0%
Class 3	1.50	1.00	50.0%
Class 4	2.00	2.00	0.0%
ass 5 (currently Class 3)	8.00	6.00	33.3%
ass 5 (currently Class 4)	8.00	7.00	14.3%

Chicago Insurance Company
Name of Company

Joseph Shores,
Regional Underwriting Executive
Official - Title

STATE OF ILLINOIS

Department of Financial and Professional Regulation
Division of Insurance

IN THE MATTER OF
THE MEDICAL MALPRACTICE
RATE INCREASE OF:

HEARING NO. 07-HR-0789

AMERICAN INSURANCE COMPANY
33 WEST MONROE STREET
CHICAGO, ILLINOIS 60603
RATE FILING # TANE DPL IL 07 07 RN

ORDER

I, Michael T. McRaith, Director of the Illinois Department of Financial and Professional Regulation, Division of Insurance hereby certify that I have read the entire Record in this matter and the hereto attached Findings of Fact, Conclusions of Law and Recommendations of the Hearing Officer, Timothy M. Cena, appointed and designated pursuant to Section 402 of the Illinois Insurance Code (215 ILCS 5/402) to conduct a Hearing in the above-captioned matter. I have carefully considered and reviewed the entire Record of the Hearing and the Findings of Fact, Conclusions of Law and Recommendations of the Hearing Officer, attached hereto and made a part hereof.

I, Michael T. McRaith, being duly advised in the premises, do hereby adopt the Findings of Fact, Conclusions of Law and Recommendations of the Hearing Officer as my own, and based upon said Findings, Conclusions and Recommendations enter the following Order under the authority granted to me by Sections 155.18, 401, 402 and 403 of the Illinois Insurance Code (215 ILCS 5/155.18, 5/401, 5/402 and 5/403 and Article X of the Illinois Administrative Procedure Act (5 ILCS 100/10-5 et. seq.).

This Order is a Final Administrative Decision pursuant to the Illinois Administrative Procedure Act (5 ILCS 100/1 et. seq.). This Order is appealable pursuant to the Illinois Administrative Review Law (735 ILCS 3/101- et. seq.).

NOW IT IS THEREFORE ORDERED THAT:

1) American Insurance Company Filing # TANE DPL IL 07 07 RN is approved;

2) American Insurance Company shall pay as costs of this proceeding, within 35 days of the date of this Order, the sum of $108.75, directly to the Illinois Division of Insurance, Tax and Fiscal Service Unit, 320 W. Washington, 4th Floor, Springfield, Illinois 62767.

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION of the State of Illinois;

DIVISION OF INSURANCE

Date: October 9, 2007

Michael T. McRaith
Director

STATE OF ILLINOIS

Department of Financial and Professional Regulation
Division of Insurance

IN THE MATTER OF
THE MEDICAL MALPRACTICE
RATE INCREASE OF:

HEARING NO. 07-HR-0789

THE AMERICAN INSURANCE COMPANY
33 WEST MONROE STREET
CHICAGO, ILLINOIS 60603
RATE FILING # TANE DPL IL 07 07 RN

FINDINGS OF FACT, CONCLUSIONS OF LAW AND RECOMMENDATIONS OF THE HEARING OFFICER

Now comes Timothy M. Cena, Hearing Officer in the above captioned matter and hereby offers his Findings of Fact, Conclusions of Law and Recommendations to the Director of Insurance.

FINDINGS OF FACT

1) On May 9, 2007, the American Insurance Company (the Company) filed with the Illinois Division of Insurance (Division) a Dentist's Professional Liability Rate and Rule Filing # TANE DPL IL 07 07 RN (the Filing) (see Division Exhibit # 1).

2) On August 1, 2007, the Illinois Director of Insurance, Michael T. McRaith, (Director) issued a Notice of Hearing requiring the Company to participate in an administrative hearing regarding the Filing. The Hearing was scheduled for August 22, 2007 at the Division's Offices in Springfield, Illinois (see Hearing Officer Exhibit # 2).

3) On August 1, 2007, the Director appointed Timothy M. Cena as Hearing Officer to conduct a hearing in this matter (Hearing Officer Exhibit # 1).

4) Kirk H. Petersen filed a Notice of Appearance on behalf of the Company (Hearing Officer Exhibit # 3).

5) The Hearing in this matter was convened on August 22, 2007 at 2:00 PM at the Division's Offices in Springfield, Illinois at which time were present Timothy M. Cena, Hearing Officer; Joseph T. Clennon, on behalf of the Division; Kirk H. Petersen, on behalf of the Company; Jayme Stubitz, Heather Libby and Michelle Smith, with American Insurance Company; and Judy Pool Boutchee, John Gatlin and Gayle Neuman, all employees of the Division (T.5-6).

The purpose of this Hearing is to receive information regarding the Company's Filing in order to determine if the Filing is in compliance with Section 5/155.18 of the Illinois Insurance Code (215 ILCS 5/155.18).

6) Prior to the start of the testimony in this matter on August 22, 2007, the Division performed on extensive review of the subject rate Filing. The review determined that the Company's Filing was complete and included all of the required documentation, transmittal forms and certifications. The review included a review of the rule's section of the Company's underwriting manual. In addition to the Filing, there was correspondence exchanged between the Division and the Company in order to clarify certain aspects of the Filing. Requests for additional information were made to the Company and said information was provided. The Division gave consideration to the Company's rate making methodology, ultimate loss and allocated loss adjustment expense selection, loss development triangles, profit loads and permissible loss ratios. After its review the Division concluded that it had no objections to the Filing pending its review of any additional information produced at this proceeding.

7) The Division offered into the Record the complete Filing # TANE DPL IL 07 07 RN requesting an overall rate increase of 14.4% (see Division Exhibit # 1).

8) Michele Smith, the underwriting Manager for the Professional Liability Unit for American Insurance Company, testified on behalf of the Company as follows:

a) She has been employed in her current position for 14 months and has been employed with Fireman's Fund for 17 years;

b) The Filing in question is an introduction to a different rating methodology for the dental professional liability

class. The current rating utilizes an "anesthesia based rating" for all dentists in the class. The Company's review of recent claims data indicates that the loss trends are not developed from anesthesia related loss, but rather specific procedures. The Company concludes that the anesthesia based rating is a fundamentally flawed approach in that it asks the general dentist, doing relatively benign procedures to subsidize the experience of dentists doing more volatile, higher exposure procedures. The reclassification sought in this Filing more adequately attributes rates to risk.

9) Jayme Stubitz, the Company's Actuarial Director, testified in this matter as follows:

a) Approximately 3,200 Illinois policyholders will be affected by this rate change. Approximately 1400 of those policyholders will see no increase in premium, 1600 will get in up to $120.00 increase, and 78 will see increases from $275.00 - $900.00;

b) The Company is seeing a country-wide upward trend of 2% in frequency of claims and an upward severity of claim trend of 6.5% which indicates an overall loss trend of 8.6%. He believes that these numbers are consistent with industry trends;

c) The company's definition of "claim" is a suit or demand for alleged malpractice or injury as a result of dental professional services;

d) The Company's insurance policies include coverage for defense of professional disciplinary action;

e) Generally the types of claims received by the Company under this policy are for malpractice in rendering improperly, or failure to render, dental services. Claims are reviewed for causation, probable liability and determination of how the insured should be counseled, and are conducted by Company claims adjustors. The adjustors are not licensed dentists;

f) The Company recommends the use of alternative dispute resolution when appropriate;

g) The policy has a "consent to settle clause" which requires the Company to involve the insured in any decision to settle a claim;

h) The Company has not changed it's approach to claim resolution in Illinois based upon the passage of "tort reform" legislation;

i) This rating plan is not a "specialty based" rating plan but rather, is a "procedure based" plan;

j) The Company does not have enough data specific from an individual tort reform state to lower it's rates because of the reform efforts;

k) Severity trends for this Filing are based upon country-wide data. He expects the current observed trends to continue;

l) The Company's allocated loss adjustment expense is currently at about 48% and that trend is expected to continue;

m) The actuarially indicated rate increase is 80%. The whole point of this filing is to add new classes of dentists separating, for purposes of premium calculation, those dentists who are doing riskier procedures and have consequently higher severity claims, from those dentists not performing such procedures. The company recognizes that if the indication does not improve, that fact will have to be addressed in future filings. Additionally, taking an 80% indication at one time would be very destabilizing event. The Company hopes the addition of this class plan, plus underwriting action and future base rate increases will reduce the indicated rate increase.

10) At the close of the Hearing, the Hearing Officer left the Record in this matter open for the submission, as agreed to by the Parties, of additional information. On August 31, 2007, the Hearing Officer received a letter (see Hearing Officer Exhibit # 4) from the Company providing the following additional information:

a) Regarding frequency of claim trends in Illinois, of the total claims reported, 33.48% were in suit;

b) In Illinois, since 2004, all but one case in suit was settled prior to a jury verdict being rendered;

c) For dentists covered under this filing, 69% of the total allocated loss adjustment expense is attributable to defense costs;

d) Overall defense costs are up for this group of insureds, the Company believes, because more insureds are exercising their rights not to settle claims. The Company expects this trend to continue and legal costs to continue to rise; and

e) For Illinois policyholders, 17.8% have qualified for and are receiving risk management credits.

11) Capitol Reporting Service Inc., transcribed the testimony taken in this matter and charged the Division $108.75 for a transcript of the proceedings and the court reporter's attendance (Hearing Officer Exhibit # 5).

DISCUSSION AND ADDITIONAL FINDINGS

12) The purpose of this proceeding is to determine if the American Insurance Company's Medical Malpractice Rule/Rate Filing # TANE DPL IL 07 07 RN is in compliance with Section 155.18 of the Illinois Insurance Code.

Section 155.18 of the Insurance Code provides, in part, as follows:

"(a) This Section shall apply to insurance on risks based upon negligence by a physician, hospital or other health care provider, referred to herein as medical liability insurance.

(b) The following standards shall apply to the making and use of rates pertaining to all classes of medical liability insurance:

(1) Rates shall not be excessive or inadequate nor shall they be unfairly discriminatory.

(2) Consideration shall be given, to the extent applicable, to past and prospective loss experience within and outside this State, to a reasonable margin for underwriting profit and contingencies, to past and prospective expenses both countrywide and

those especially applicable to this State, and to all other factors, including judgment factors, deemed relevant within and outside this State. Consideration may also be given in the making and use of rates to dividends, savings or unabsorbed premium deposits allowed or returned by companies to their policyholders, members or subscribers.

(3) The systems of expense provisions included in the rates for use by any company or group of companies may differ from those of other companies or groups of companies to reflect the operating methods of any such company or groups with respect to any kind of insurance, or with respect to any subdivision or combination thereof.

(4) Risks may be grouped by classifications for the establishment of rates and minimum premiums. Classification rates may be modified to produce rates for individual risks in accordance with rating plans which established standards for measuring variations in hazards or expense provisions, or both. Such standards may measure any difference among risks that have a probable effect upon losses or expenses. Such classifications or modifications of classifications of risks may be established based upon size, expense, management, individual experience, location or dispersion of hazard, or any other reasonable considerations and shall apply to all risks under the same or substantially the same circumstances or conditions. The rate for an established classification should be related generally to the anticipated loss and expense factors or the class.

(c) (1) Every company writing medical liability insurance shall file with the Secretary of Financial and Professional Regulation the rates and rating schedules it uses for medical liability insurance. A rate shall go into effect upon filing, except as otherwise provided in this Section.

(2) If (i) 1% of the company's insureds within a specialty or 25 of the company's insureds (whichever is greater) request a public hearing, (ii) the Secretary at his or her discretion decides to

convene a public hearing, or (iii) the percentage increase in a company's rate is greater than 6%, then the Secretary shall convene a public hearing in accordance with this paragraph (2). A public hearing under this paragraph (2) must be concluded within 90 days after the request, decision, or increase that gave rise to the hearing. The Secretary may, by order, adjust a rate or take any other appropriate action at the conclusion of the hearing.

(3) A rate filing shall occur upon a company's commencement of medical liability insurance business in this State and thereafter as often as the rates are changed or amended.

(4) For the purposes of this Section, any change in premium to the company's insureds as a result of a change in the company's base rates or a change in its increased limits factors shall constitute a change in rates and shall require a filing with the Secretary.

(5) It shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience. The Secretary may request any additional statistical data and other pertinent information necessary to determine the manner the company used to set the filed rates and the reasonableness of those rates. This data and information shall be made available, on a company-by-company basis, to the general public.

(d) If after a public hearing the Secretary finds;

(1) that any rate, rating plan or rating system violates the provisions of this Section applicable to it, he shall issue an order to the company which has been the subject of the hearing specifying what respects such violation exists and, in that order, may adjust the rate; . . ."

13) The information presented in this matter does not indicate that the rate increases proposed in the Filing are excessive or inadequate or that the increases are unfairly discriminatory. The Hearing Officer therefore finds the Filing to be in compliance with Illinois law.

CONCLUSIONS OF LAW

Based upon the above stated Findings of Fact and the entire Record in this matter the Hearing Officer offers the following Conclusions of Law to the Director of Insurance.

1) Timothy M. Cena was duly appointed as Hearing Officer in this matter by the Director of Insurance pursuant to Section 5/403 of the Illinois Insurance Code (215 ILCS 5/403).

2) The Director of Insurance has jurisdiction over the parties and the subject matter of this proceeding pursuant to Sections 5/155.18, 5/401, 5/402, 5/403 of the Illinois Insurance Code (215 ILCS 5/155.18, 5/401, 5/402 and 5/403).

3) American Insurance Company Filing # TANE DPL IL 07 07 RN is not excessive, inadequate or unfairly discriminatory and therefore does not violate Section 5/155.18 of the Illinois Insurance Code.

4) American Insurance Company should be assessed the costs of this proceeding in the amount of $108.75. The Hearing was statutorily required by virtue of the Company's greater than 6% rate filing.

RECOMMENDATIONS

Based upon the above stated Findings of Fact, Conclusions of Law and the entire Record in this matter the Hearing Officer makes the following Recommendations to the Director of Insurance:

1) That American Insurance Company Filing # TANE DPL IL 07 07 RN be approved; and

2) That American Insurance Company be assessed the costs of this proceeding.

Respectfully submitted,

Date: 9/28/07

Timothy M. Cena
Hearing Officer

Neuman, Gayle

From: DSowell@ffic.com
Sent: Monday, June 18, 2007 9:00 AM
To: Neuman, Gayle
Subject: RE: Dentist Professional Liability - Rate/Rule Filing #TANE DPL IL 07 07 RR
Attachments: IL_State Exception Pages 07_061407.pdf

Ms. Neuman - I will call you in a few minutes but I wanted to provide this exhibit to you before the meeting this morning.

Here are the revised pages. The correction to the table is on page 5.

We apologize for the fact that our filing missed the issues you are commenting on and that there was some confusion in the table. We are relatively new participants in the Dental Program and our primary objective is to resolve the rating methodology for classification of risk. We would be happy to hear their thoughts on the proposed revisions to the table.

"Neuman, Gayle" <Gayle.Neuman@illinois.gov>

06/15/2007 09:37 AM

To <DSowell@ffic.com>
cc
Subject RE: Dentist Professional Liability - Rate/Rule Filing #TANE DPL IL 07 07 RR

That will be fine.

From: DSowell@FFIC.COM [mailto:DSowell@FFIC.COM]
Sent: Friday, June 15, 2007 9:36 AM
To: Neuman, Gayle
Subject: RE: Dentist Professional Liability - Rate/Rule Filing #TANE DPL IL 07 07 RR

Ms. Neuman,

Let's have our discussion on Monday, June 18, 2007 at 9:00 am. I will call you at (217) 524-6497, unless you have another telephone number you want me to contact you at. Let me know if this works for your schedule.

Thank you.

Diane Sowell
Regulatory Affairs Lead
Fireman's Fund Insurance Company

Direct: 312.456.5146
Facsimile: 866.613.6395
Email: dsowell@ffic.com

"Neuman, Gayle" <Gayle.Neuman@illinois.gov>

06/15/2007 07:46 AM

To <DSowell@ffic.com>
cc
Subject RE: Dentist Professional Liability - Rate/Rule Filing #TANE DPL IL 07 07 RR

Ms. Sowell,

I am available today at 9:00. If today isn't favorable, Monday from 8:00 to 10:00 or 1:30 to 2:30. Let me know when you are available.

From: DSowell@ffic.com [mailto:DSowell@ffic.com]
Sent: Thursday, June 14, 2007 3:56 PM
To: Neuman, Gayle
Subject: RE: Dentist Professional Liability - Rate/Rule Filing #TANE DPL IL 07 07 RR

Ms. Neuman,

Would it be possible for me and my underwriter to call you so she can explain her intent. We believe if we can speak to you directly we can clarify what we are trying to accomplish. Please advise what day and time you will be available.

Thank you in advance for your time.

Diane Sowell
Regulatory Affairs Lead
Fireman's Fund Insurance Company
Direct: 312.456.5146
Facsimile: 866.613.6395
Email: dsowell@ffic.com

"Neuman, Gayle" <Gayle.Neuman@illinois.gov>

06/14/2007 08:41 AM

To <DSowell@ffic.com>
cc
Subject RE: Dentist Professional Liability - Rate/Rule Filing #TANE DPL IL 07 07 RR

Ms. Sowell,

This should be my last question on this filing.

In regard to the Experience Rating Plan on page 5 of the Illinois State Exception Pages, some categories are ranges of percentages (0 - 10%) while others are just a set percentage. In your 6/12 response, you indicated a set percentage is not known because of numerous factors like cause of loss and corrective actions taken. It also seems odd that the percentage of debit increases for total indemnity/total reserves under the "1 claim" category, yet the "2 claim" category increases and decreases. Please explain these two issues.

Gayle Neuman
(217) 524-6497

From: DSowell@FFIC.COM [mailto:DSowell@FFIC.COM]
Sent: Wednesday, June 13, 2007 4:29 PM
To: Neuman, Gayle
Subject: Re: Dentist Professional Liability - Rate/Rule Filing #TANE DPL IL 07 07 RR

Ms. Neuman,

Our responses to the concerns addressed in your June 13, 2007 email are below in blue. Please let me know if you have any questions or need any additional information.

Thanks for your continued assistance.

Diane Sowell
Regulatory Affairs Lead
Fireman's Fund Insurance Company
Direct: 312.456.5146
Facsimile: 866.613.6395
Email: dsowell@ffic.com

"Neuman, Gayle" <Gayle.Neuman@illinois.gov>

06/13/2007 10:57 AM

To <DSowell@ffic.com>
cc
Subject Dentist Professional Liability - Rate/Rule Filing #TANE DPL IL 07 07 RR

Ms. Sowell,

In response to your e-mail dated June 12, 2007, please address the following:

1. In regard to the Experience Rating Plan on page 5 of the Illinois Exception Pages, there is no debit listed in the catagory for 2 claims with total indemnity of $10,001 to $20,000. Based on the criteria, it seems unlikely the

category would be blank. Please advise.
Many thanks for calling our attention to a typographical error/oversight. Attached please find the revised pages correcting this error.

2. On page 13 of the manual under Individual Risk Modification Plan - paragraph 2 indicates "the following outlines the some criteria" - is this suppose to read "outlines some" or "outlines the same"?
This sentence should read, "The following outlines the criteria upon which IRPM debits and/or credits may be applied to an individual account." We have corrected that sentence in the Countrywide manual. The revised manual is attached.

We request receipt of your response by June 19, 2007.

Gayle Neuman

Property & Casualty Compliance, Division of Insurance
Illinois Department of Financial & Professional Regulation
(217) 524-6497

Please refer to the Property and Casualty Review Requirement Checklists before submitting any filing. The checklists can be accessed through the Department's website (http://www.idfpr.com/) by clicking on: Insurance; Industry; Regulatory; IS3

Review Requirements Checklists; Property Casualty IS3 Review Requirements Checklists.

Neuman, Gayle

From: DSowell@FFIC.COM
Sent: Wednesday, June 13, 2007 4:29 PM
To: Neuman, Gayle
Subject: Re: Dentist Professional Liability - Rate/Rule Filing #TANE DPL IL 07 07 RR
Attachments: IL_State Exception Pages 07_061307.pdf; CW_Rules & Rates Manual.pdf

Ms. Neuman,

Our responses to the concerns addressed in your June 13, 2007 email are below in blue. Please let me know if you have any questions or need any additional information.

Thanks for your continued assistance.

Diane Sowell
Regulatory Affairs Lead
Fireman's Fund Insurance Company
Direct: 312.456.5146
Facsimile: 866.613.6395
Email: dsowell@ffic.com

"Neuman, Gayle" <Gayle.Neuman@illinois.gov>

06/13/2007 10:57 AM

To <DSowell@ffic.com>
cc
Subject Dentist Professional Liability - Rate/Rule Filing #TANE DPL IL 07 07 RR

Ms. Sowell,

In response to your e-mail dated June 12, 2007, please address the following:

1. In regard to the Experience Rating Plan on page 5 of the Illinois Exception Pages, there is no debit listed in the catagory for 2 claims with total indemnity of $10,001 to $20,000. Based on the criteria, it seems unlikely the category would be blank. Please advise.
Many thanks for calling our attention to a typographical error/oversight. Attached please find the revised pages correcting this error.

2. On page 13 of the manual under Individual Risk Modification Plan - paragraph 2 indicates "the following outlines the some criteria" - is this suppose to read "outlines some" or "outlines the same"?
This sentence should read, "The following outlines the criteria upon which IRPM debits and/or credits may be applied to an individual account." We have corrected that sentence in the Countrywide manual. The revised manual is attached.

We request receipt of your response by June 19, 2007.

Gayle Neuman

Property & Casualty Compliance, Division of Insurance
Illinois Department of Financial & Professional Regulation
(217) 524-6497

Please refer to the Property and Casualty Review Requirement Checklists before submitting any filing. The checklists can be accessed through the Department's website (http://www.idfpr.com/) by clicking on: Insurance; Industry; Regulatory; IS3

Review Requirements Checklists; Property Casualty IS3 Review Requirements Checklists.

FIREMAN'S FUND INSURANCE COMPANIES
DENTAL PROFESSIONALS PROGRAM BUSINESS LIABILITY PLAN
STATE EXCEPTION PAGES
ILLINOIS (12)

I. Rating Territories:

Territory I: Cook County
Territory II: Remainder of State

II. Dental Practitioner Rates:

1. Premium Rate Tables:

MATURE CLAIMS MADE RATES
($1,000,000/$3,000,000 Limits)

Dental Classification	Territory I	Territory II
I	$1,704	$1,065
II	$2,130	$1,331
III	$2,556	$1,598
IV	$3,408	$2,149
V	$13,632	$8,520

OCCURRENCE RATES
($1,000,000/$3,000,000 Limits)

Dental Classification	Territory I	Territory II
I	$1,823	$1,140
II	$2,279	$1,425
III	$2,735	$1,710
IV	$3,646	$2,280
V	$14,584	$9,120

2. Claims-Made Step Factors

These factors apply to the mature claims-made rate:

Years of Claims-Made Coverage		**Dentists**	**Oral Surgeons**
Claims-Made Year	**# of Days**	**Step Factors**	**Step Factors**
Year 1	0 - 182	0.29	0.29
Year 2	183 - 547	0.54	0.54
Year 3	548 - 912	0.73	0.73
Year 4	913 - 1277	0.81	0.81
Year 5	1278 - 1642	0.90	0.90
Mature Claims-Made	1643 +	1.00	1.00

FIREMAN'S FUND INSURANCE COMPANIES
DENTAL PROFESSIONALS PROGRAM BUSINESS LIABILITY PLAN
STATE EXCEPTION PAGES
ILLINOIS (12)

3. Increase / Decrease Limits

The following increase limit factors shall apply to occurrence and claims-made coverages as follows:

Option	Limit of Liability (Professional)	Increase / Decrease Factors Dentists	Increase / Decrease Factors Oral Surgeons
A	$100,000 / $300,000	0.782	0.500
B	$200,000 / $600,000	0.890	0.625
C	$500,000 / $1,500,000	0.946	0.813
D	$1,000,000 / $3,000,000	1.000	1.000
E	$2,000,000 / $6,000,000	1.150	1.206
F	$3,000,000 / $6,000,000	1.250	1.309
G	$4,000,000 / $6,000,000	1.300	1.377
H	$5,000,000 / $6,000,000	1.350	1.428

4. Extended Reporting/Prior Acts Period Coverage Factors

The factors in the table below shall be applied to the mature claims made rate in effect at the inception of the terminated policy. The extension period shall be unlimited unless otherwise noted.

The insured is provided an automatic 60 day election period to purchase Extended Reporting Period Coverage.

CLAIMS-MADE EXTENDED REPORTING PERIOD FACTORS

Years of Prior Claims-Made Coverage	First Year	Second Year	Third Year	Prepaid Factors
1	0.31	0.23	0.30	0.79
2	0.51	0.35	0.46	1.23
3	0.61	0.49	0.46	1.45
4+	0.73	0.49	0.46	1.57

OCCURRENCE PRIOR ACTS FACTORS

Years of Prior Claims-Made Coverage	First Year	Second Year	Third Year	Prepaid Factors
1	0.28	0.25	0.22	0.71
2	0.45	0.41	0.32	1.11
3	0.55	0.44	0.40	1.31
4+	0.62	0.45	0.42	1.41

FIREMAN'S FUND INSURANCE COMPANIES
DENTAL PROFESSIONALS PROGRAM BUSINESS LIABILITY PLAN
STATE EXCEPTION PAGES
ILLINOIS (12)

III. Amended Professional Liability Rules

A. Under Section **A. GENERAL GUIDELINES**, the following amendments are made:

1. The following rule is added:

Premiums – Installment Payment Options

Premiums are payable on policies as stated on the Declarations when issued. 2 payment options are currently available. Premiums are due at the inception of the policy term, unless installment payment option is chosen as follows:

Bill Plan	Down Payment	Installment Amount	Billing Date	Service Fee
Four Pay	40% down	3 installments @ 20% each	Inception, 90 days, 180 days, 270 days	$5.00 per policy period, payable at inception.
Four Pay	25% down	3 installments @ 25% each	Inception, 90 days, 180 days, 270 days	$5.00 per policy period, payable at inception.

Mid-term policy changes resulting in premium adjustments will be spread equally over the remaining installments. If there are no remaining installments, premiums resulting from such changes will be billed immediately as a seperate transaction. There are no interest charges.

2. Item **9. Restrictions of Coverage or Increased Rate** is deleted in its entirety and not replaced.

B. To section **B. DENTAL CLASSIFICATIONS**, the following revisions are made:

(1) Subsection **b. Classification Plan** is deleted and replaced with the following:

b. Classification Plan:

Dental Practitioner classifications shall be determined based upon their level of practice exposure as reflected in the area of practice, administration and types of anesthetic agents used and environment in which they are administered. Use the following table of Dental Practitioner Classifications to determine the appropriate premium class.

If more than one classification applies, the highest rated classification shall be used for premium rating.

All percentages are based upon the *number* of procedures performed in the practice.

Class 1	**DENTAL CLASS I** **NON-INVASIVE OR MINIMALLY INVASIVE PROCEDURES AND SELECT SPECIALTIES**	
	Specialists:	
		Endodontist
		Orthodontist (simple extractions up to 25% of procedures)
		Public Health Dentist
		Periodontist (surgical placement of implants up to 25% of procedures)
		Prosthodontist (surgical placement of implants up to 25% of procedures)
		Pediatric Dentist
		Oral Pathologist

FIREMAN'S FUND INSURANCE COMPANIES
DENTAL PROFESSIONALS PROGRAM BUSINESS LIABILITY PLAN
STATE EXCEPTION PAGES
ILLINOIS (12)

	General Dentists performing the following procedures:	
		Diagnostic
		Preventative
		Restorative
		Non-surgical TMJ treatments – mouth guards and splints
		Cosmetic whitening, veneers
		Restorative Implants up to 15% of practice (based on number of procedures)
		Endodontia – up to 25% of practice (based on number of procedures)
		Prosthodontia – up to 25% of practice (based on number of procedures)
		Periodontia – up to 25% of practice (based on number of procedures)
		Oral surgery (up to 25% of total practice, based on number or procedures; simple extractions only, no full bony or partial bony impactions)
	This classification applies to all DDS's or DMD's who are Board Eligible or Certified Specialists in the above areas; or are General Practitioners and who use local, nitrous oxide or oral conscious sedation. This classification also applies to all dentists who provide services to patients who have been administered deep sedation or general anesthesia in their office, or in a hospital, or surgi-center by an MD / nurse anesthetist, dentist anesthetist, or oral surgeon not in their employ.	
Class 2	**DENTAL PROCEDURES LEVEL II & SPECIALIZED AREAS OF PRACTICE/PROCEDURES:**	
	Applies to all General Dentists:	
	With 25% or greater percentage of practice (in any one category) in the specialty areas of Prosthodontics and/or Endodontics, surgical Periodontal procedures, Orthodontics or oral surgery (*simple extractions only, no extractions of full or partial bony impacted teeth*).	
	For classification purposes all dentists whose procedures exceed 25% or more in the above specialized areas of practice will be rated under this classification.	
Class 3	**DENTAL PROCEDURES LEVEL III & SPECIALIZED AREAS OF PRACTICE/PROCEDURES:**	
	Applies to all Specialists (except Oral Surgeons) and General Dentists:	
	Extractions of full or partial bony impacted teeth	
	Applies to all General Dentists:	
	Implant restorations that exceed 15% of the total practice	
	This classification applies to all General Dentists DDS's or DMD's whose practice specializes in providing implants. For classification purposes all insureds that treat 15% or more of their patients for implants will be rated under this classification.	
Class 4	**ANESTHESIA CLASS (CURRENTLY CLASS II OR B)**	
	Anesthesia	I.V. Conscious Sedation
		I.M. Conscious Sedation
		Sub-cutaneous conscious sedation
	Anesthesia: This classification contemplated the insured dentist administering the sedation and performing the dental procedure.	
Class 5	**Oral & Maxillofacial Surgeons and Dentist Anesthesiologists**	
	Anesthesia	In-Office Includes General Anesthesia
	This classification applies to all Oral Surgeons and Dental Anesthesiologists. This classification would also apply to any DDS or DMD who administer and treat patients under I.V. or I.M. conscious sedation or deep sedation or general anesthesia in their office. Proof of their education and training would need to be secured prior to proceeding (see comments under General Anesthesia).	

FIREMAN'S FUND INSURANCE COMPANIES
DENTAL PROFESSIONALS PROGRAM BUSINESS LIABILITY PLAN
STATE EXCEPTION PAGES
ILLINOIS (12)

(2) Rule **3., 3. a. Part-Time Practitioner** is deleted and replaced by the following:

Dentists who practice 20 hours or less a week will be eligible for part-time status at 40% premium credit.

C. Section **C. ADDITIONAL COVERAGE / RATING RULES,** the following revisions are made:

(1) Rule **1. Individual Risk Premium Modification Plan** is amended as follows:

a. The maximum modification (+ / -) for professional liability premiums for dental practitioners shall not exceed 40%.

b. Part a. Procedure Mix has been modified to state as follows:

Procedure or practice specialties not contemplated in basic rates. Examples include general dentists with large (greater than 25%) proportions of their practice involving surgical implants, surgery, TMJ treatment, use of sargenti, endodontics or claim frequency.

(2) Rule **2. Experience Rating Plan**, is deleted and replaced by the following:

An experience rating plan debit or credit shall be applied based upon an insured dentists claims experience in the preceding five (5) year period. The criteria used to determine the application of this experience rating debit or credit shall include the following in determining the debit:

a. The number of claims – frequency or pattern, isolated claim
b. The total incurred losses – indemnity and expense reserves
c. Total paid losses – indemnity paid and expenses paid
d. The cause of these losses – professional conduct
e. Corrective actions taken for subsequent loss prevention – Continuing education and risk management, disciplinary body activity
f. Areas of specialization – nature of practice, training

Total Indemnity and/or Total Reserves	$0 - $10,000	$10,001 - $20,000	$20,001 - $40,000	$40,001 - $60,000	$60,000 - $75,000	$75,001 & Over
	Debit	Debit	Debit	Debit	Debit	Debit
1 claim	0 - 10%	10% - 20%	20%	20% - 25%	25% - 50% Refer	50% - 75% Refer
2 claims	15% - 30%	20% - 35%	30% - 40%	40%	50% - 75% Refer*	Refer*
3 claims Refer**						

*Consider for non-renewal or apply highest debit allowed
**Should consider for non-renewal

Rating of claims and use of experience rating plan shall not be excessive, inadequate or unfairly discriminatory.

(3) Rule **3. Loss Prevention/Risk Management Credit** is deleted and replaced by the following:

Dentists who participate in a Company sponsored or approved loss prevention program/risk management program will be eligible for a 5% Risk Management Discount for a period of 3 years.

(4) Rule 4. **Deductibles** is deleted and replaced with the following:

It shall be permissible to offer deductibles applicable to the Dental Professional Liability coverage which shall apply on a per claim basis, on indemnity payments only and shall not be subject to an annual aggregate. This credit applies to the base premium. The deductible options shall be as follows:

Options	Deductible Amount	Credit Factor
Option 1	$1,000	0.05
Option 2	$2,500	0.10
Option 3	$5,000	0.19
Option 4	$10,000	0.30

(5) Claim-Free Discount

A claim-free discount of 10% shall be applied. To be eligible the following criteria must be met:

No claim of $500 or more incurred indemnity and ALAE in the last 5 years.

Note: A combination of a maximum of 2 claims is allowable for this discount.

(6) A credit of 5% will be applied to each dentist who is a member of the Dental Association/Society.

Neuman, Gayle

From: DSowell@FFIC.COM
Sent: Tuesday, June 12, 2007 8:54 AM
To: Neuman, Gayle
Subject: Re: Dentist Professional Liability - Rate/Rule Filing #TANE DPL IL 07 07 RR
Attachments: IL_State Exception Pages 07_060607.pdf

Ms. Neuman,

Our responses to the concerns addressed in your June 6, 2007 email are below in blue. Please let me know if you have any questions or need any additional information.

Thank you.

Diane Sowell
Regulatory Affairs Lead
Fireman's Fund Insurance Company
Direct: 312.456.5146
Facsimile: 866.613.6395
Email: dsowell@ffic.com

"Neuman, Gayle" <Gayle.Neuman@illinois.gov>

06/06/2007 01:40 PM

To <DSowell@ffic.com>
cc
Subject Dentist Professional Liability - Rate/Rule Filing #TANE DPL IL 07 07 RR

Ms. Sowell,

Please address these issues:

1. In regard to the installment premium payment plans, please state in the manual that there are no interest charges. If there is a $5 charge if the insured chooses an installment plan, please remove the reference to the "maximum" and "may be applied". You should simply indicate in the manual that there is a one time $5.00 service fee per policy period payable at policy inception.

The requested changes have been made. Please see the Illinois State Exception Pages, page 3 of 6.

2. On page 14 of the countrywide manual, under 1. Individual Risk Premium Modification Plan, category a. states dentists with "large" proportions of surgical implants, etc. The manual should define the term "large" and not leave it up for interpretation .

We believe we have corrected this concern with the current class plan filing. Currently, General Dentists performing surgical implants, surgery, TMJ treatment, endodontics or use sargenti would be considered class 1

and we would likely debit if that dentist indicated that their practice involved large amounts of any of these services (generally, more than 25%). With this proposed filing, a General Dentist whose practice involved more than 25% of these services would be considered class 2.

However, to address your concern, we have added the following to the Illinois State Exception Pages, page 5 of 6:

Part a. Procedure Mix has been modified to state as follows:

Procedure or practice specialties not contemplated in basic rates. Examples include general dentists with large (greater than 25%) proportions of their practice involving surgical implants, surgery, TMJ treatment, use of sargenti, endodontics or claim frequency.

3. Regarding the Experience Rating Plan, many of the categories indicate a debit range of discount . You indicated if an insured has 2 claims reported in the past 4 years with a total incurred value of $27,500, they would get a 30% debit. What if the incurred value was $30,001? We are asking you to explain what criteria changes the debit amount from 30% to 35% to 40%.

If the incurred value was $30,001 the insured would likely receive a 35% debit. The debit increases as the total incurred increases.

Weighted with the loss severity and frequency noted in the table, the following other factors are contemplated when assessing the experience modification: number of claims, incurred losses, paid losses, cause of losses, corrective actions taken, and areas of specialization. These are also listed under Experience Rating Plan in the Illinois State Exception Pages, items a - f.

4. On the Illinois pages of the manual, please indicate you do not utilize "Restrictions of Coverage or Increased Rate". Regarding "Individual Risk Modification Plan", how many policies are written with this rating plan? Section 155.18(b)(4) of the Illinois Insurance Code allows insurers to modify classification rates to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions, or both. Such standards may measure any difference among risks that have a probable effect upon losses or expenses. Such modifications of classifications of risks may be established based upon size, expense, management, individual experience, location or dispersion of hazard, or any other reasonable considerations and shall apply to all risks under the same or substantially the same circumstances or conditions. Upon reviewing the manual pages submitted, we do not see where the filing defines the criteria for which a risk would be individually rated.

Given that we have no "a" rated policies in the state of Illinois, we have opted to delete this item. This change is noted on page 3 of 6 of the Illinois State Exception Pages.

We will continue to comply with section 155.18(b)(4) of the Illinois Insurance Code.

In the event the need to rate an "a" rated risk arises, we will file with the department the appropriate criteria with which a risk needs to be individually rated.

5. Under the Unlimited Extended Reporting Coverage, the manual fails to indicate the insured (with general liability coverage) must offered (a) a free 5 year tail and (b) an unlimited tail with limits reinstated (100% of aggregate expiring limits for the duration) and premium capped (e.r.p. is limited to a 200% cap of the annual premium of the expiring policy).

General Liability is offered under the occurrence product only. As such, this request for additional information is not applicable.

If additional clarification is needed, we would be happy to discuss this issue over a conference call with the state.

6. If the deductible credit factor is the same for all limits, please remove the wording that indicates it only applies

to the basic limits premium.

We have revised the wording as follows:

It shall be permissible to offer deductibles applicable to the Dental Professional Liability coverage which shall apply on a per claim basis, on indemnity payments only and shall not be subject to an annual aggregate. This credit applies to the base premium.

Please see the Illinois State Exception Pages, page 6 of 6, item 4 for this change.

We request receipt of your response by June 12, 2007.

Gayle Neuman
Property & Casualty Compliance, Division of Insurance
Illinois Department of Financial & Professional Regulation
(217) 524-6497

Please refer to the Property and Casualty Review Requirement Checklists before submitting any filing. The checklists can be accessed through the Department's website (http://www.idfpr.com/) by clicking on: Insurance; Industry; Regulatory; IS3 Review Requirements Checklists; Property Casualty IS3 Review Requirements Checklists.

FIREMAN'S FUND INSURANCE COMPANIES
DENTAL PROFESSIONALS PROGRAM BUSINESS LIABILITY PLAN
STATE EXCEPTION PAGES
ILLINOIS (12)

I. Rating Territories:

Territory I: Cook County
Territory II: Remainder of State

II. Dental Practitioner Rates:

1. Premium Rate Tables:

MATURE CLAIMS MADE RATES
($1,000,000/$3,000,000 Limits)

Dental Classification	Territory I	Territory II
I	$1,704	$1,065
II	$2,130	$1,331
III	$2,556	$1,598
IV	$3,408	$2,149
V	$13,632	$8,520

OCCURRENCE RATES
($1,000,000/$3,000,000 Limits)

Dental Classification	Territory I	Territory II
I	$1,823	$1,140
II	$2,279	$1,425
III	$2,735	$1,710
IV	$3,646	$2,280
V	$14,584	$9,120

2. Claims-Made Step Factors

These factors apply to the mature claims-made rate:

Years of Claims-Made Coverage		**Dentists**	**Oral Surgeons**
Claims-Made Year	**# of Days**	**Step Factors**	**Step Factors**
Year 1	0 - 182	0.29	0.29
Year 2	183 - 547	0.54	0.54
Year 3	548 - 912	0.73	0.73
Year 4	913 - 1277	0.81	0.81
Year 5	1278 - 1642	0.90	0.90
Mature Claims-Made	1643 +	1.00	1.00

FIREMAN'S FUND INSURANCE COMPANIES
DENTAL PROFESSIONALS PROGRAM BUSINESS LIABILITY PLAN
STATE EXCEPTION PAGES
ILLINOIS (12)

3. Increase / Decrease Limits

The following increase limit factors shall apply to occurrence and claims-made coverages as follows:

Option	Limit of Liability (Professional)	Increase / Decrease Factors Dentists	Increase / Decrease Factors Oral Surgeons
A	$100,000 / $300,000	0.782	0.500
B	$200,000 / $600,000	0.890	0.625
C	$500,000 / $1,500,000	0.946	0.813
D	$1,000,000 / $3,000,000	1.000	1.000
E	$2,000,000 / $6,000,000	1.150	1.206
F	$3,000,000 / $6,000,000	1.250	1.309
G	$4,000,000 / $6,000,000	1.300	1.377
H	$5,000,000 / $6,000,000	1.350	1.428

4. Extended Reporting/Prior Acts Period Coverage Factors

The factors in the table below shall be applied to the mature claims made rate in effect at the inception of the terminated policy. The extension period shall be unlimited unless otherwise noted.

The insured is provided an automatic 60 day election period to purchase Extended Reporting Period Coverage.

CLAIMS-MADE EXTENDED REPORTING PERIOD FACTORS

Years of Prior Claims-Made Coverage	First Year	Second Year	Third Year	Prepaid Factors
1	0.31	0.23	0.30	0.79
2	0.51	0.35	0.46	1.23
3	0.61	0.49	0.46	1.45
4+	0.73	0.49	0.46	1.57

OCCURRENCE PRIOR ACTS FACTORS

Years of Prior Claims-Made Coverage	First Year	Second Year	Third Year	Prepaid Factors
1	0.28	0.25	0.22	0.71
2	0.45	0.41	0.32	1.11
3	0.55	0.44	0.40	1.31
4+	0.62	0.45	0.42	1.41

FIREMAN'S FUND INSURANCE COMPANIES
DENTAL PROFESSIONALS PROGRAM BUSINESS LIABILITY PLAN
STATE EXCEPTION PAGES
ILLINOIS (12)

III. Amended Professional Liability Rules

A. Under Section **A. GENERAL GUIDELINES**, the following amendments are made:

1. The following rule is added:

Premiums – Installment Payment Options

Premiums are payable on policies as stated on the Declarations when issued. 2 payment options are currently available. Premiums are due at the inception of the policy term, unless installment payment option is chosen as follows:

Bill Plan	Down Payment	Installment Amount	Billing Date	Service Fee
Four Pay	40% down	3 installments @ 20% each	Inception, 90 days, 180 days, 270 days	$5.00 per policy period, payable at inception.
Four Pay	25% down	3 installments @ 25% each	Inception, 90 days, 180 days, 270 days	$5.00 per policy period, payable at inception.

Mid-term policy changes resulting in premium adjustments will be spread equally over the remaining installments. If there are no remaining installments, premiums resulting from such changes will be billed immediately as a seperate transaction. There are no interest charges.

2. Item **9. Restrictions of Coverage or Increased Rate** is deleted in its entirety and not replaced.

B. To section **B. DENTAL CLASSIFICATIONS**, the following revisions are made:

(1) Subsection **b. Classification Plan** is deleted and replaced with the following:

b. Classification Plan:

Dental Practitioner classifications shall be determined based upon their level of practice exposure as reflected in the area of practice, administration and types of anesthetic agents used and environment in which they are administered. Use the following table of Dental Practitioner Classifications to determine the appropriate premium class.

If more than one classification applies, the highest rated classification shall be used for premium rating.

All percentages are based upon the *number* of procedures performed in the practice.

Class 1	**DENTAL CLASS I** **NON-INVASIVE OR MINIMALLY INVASIVE PROCEDURES AND SELECT SPECIALTIES**
	Specialists:
	Endodontist
	Orthodontist (simple extractions up to 25% of procedures)
	Public Health Dentist
	Periodontist (surgical placement of implants up to 25% of procedures)
	Prosthodontist (surgical placement of implants up to 25% of procedures)
	Pediatric Dentist
	Oral Pathologist

FIREMAN'S FUND INSURANCE COMPANIES
DENTAL PROFESSIONALS PROGRAM BUSINESS LIABILITY PLAN
STATE EXCEPTION PAGES
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	General Dentists performing the following procedures:	
		Diagnostic
		Preventative
		Restorative
		Non-surgical TMJ treatments – mouth guards and splints
		Cosmetic whitening, veneers
		Restorative Implants up to 15% of practice (based on number of procedures)
		Endodontia – up to 25% of practice (based on number of procedures)
		Prosthodontia – up to 25% of practice (based on number of procedures)
		Periodontia – up to 25% of practice (based on number of procedures)
		Oral surgery (up to 25% of total practice, based on number or procedures; simple extractions only, no full bony or partial bony impactions)
	This classification applies to all DDS's or DMD's who are Board Eligible or Certified Specialists in the above areas; or are General Practitioners and who use local, nitrous oxide or oral conscious sedation. This classification also applies to all dentists who provide services to patients who have been administered deep sedation or general anesthesia in their office, or in a hospital, or surgi-center by an MD / nurse anesthetist, dentist anesthetist, or oral surgeon not in their employ.	
Class 2	**DENTAL PROCEDURES LEVEL II & SPECIALIZED AREAS OF PRACTICE/PROCEDURES:**	
	Applies to all General Dentists:	
	With 25% or greater percentage of practice (in any one category) in the specialty areas of Prosthodontics and/or Endodontics, surgical Periodontal procedures, Orthodontics or oral surgery (*simple extractions only, no extractions of full or partial bony impacted teeth*).	
	For classification purposes all dentists whose procedures exceed 25% or more in the above specialized areas of practice will be rated under this classification.	
Class 3	**DENTAL PROCEDURES LEVEL III & SPECIALIZED AREAS OF PRACTICE/PROCEDURES:**	
	Applies to all Specialists (except Oral Surgeons) and General Dentists:	
	Extractions of full or partial bony impacted teeth	
	Applies to all General Dentists:	
	Implant restorations that exceed 15% of the total practice	
	This classification applies to all General Dentists DDS's or DMD's whose practice specializes in providing implants. For classification purposes all insureds that treat 15% or more of their patients for implants will be rated under this classification.	
Class 4	**ANESTHESIA CLASS (CURRENTLY CLASS II OR B)**	
	Anesthesia	I.V. Conscious Sedation I.M. Conscious Sedation Sub-cutaneous conscious sedation
	Anesthesia: This classification contemplated the insured dentist administering the sedation and performing the dental procedure.	
Class 5	**Oral & Maxillofacial Surgeons and Dentist Anesthesiologists**	
	Anesthesia	In-Office Includes General Anesthesia
	This classification applies to all Oral Surgeons and Dental Anesthesiologists. This classification would also apply to any DDS or DMD who administer and treat patients under I.V. or I.M. conscious sedation or deep sedation or general anesthesia in their office. Proof of their education and training would need to be secured prior to proceeding (see comments under General Anesthesia).	

(2) Rule **3., 3. a. Part-Time Practitioner** is deleted and replaced by the following:

Dentists who practice 20 hours or less a week will be eligible for part-time status at 40% premium credit.

C. Section **C. ADDITIONAL COVERAGE / RATING RULES,** the following revisions are made:

(1) Rule **1. Individual Risk Premium Modification Plan** is amended as follows:

a. The maximum modification (+ / -) for professional liability premiums for dental practitioners shall not exceed 40%.

b. Part a. Procedure Mix has been modified to state as follows:

Procedure or practice specialties not contemplated in basic rates. Examples include general dentists with large (greater than 25%) proportions of their practice involving surgical implants, surgery, TMJ treatment, use of sargenti, endodontics or claim frequency.

(2) Rule **2. Experience Rating Plan**, is deleted and replaced by the following:

An experience rating plan debit or credit shall be applied based upon an insured dentists claims experience in the preceding five (5) year period. The criteria used to determine the application of this experience rating debit or credit shall include the following in determining the debit:

a. The number of claims – frequency or pattern, isolated claim
b. The total incurred losses – indemnity and expense reserves
c. Total paid losses – indemnity paid and expenses paid
d. The cause of these losses – professional conduct
e. Corrective actions taken for subsequent loss prevention – Continuing education and risk management, disciplinary body activity
f. Areas of specialization – nature of practice, training

Total Indemnity and/or Total Reserves	$0 - $10,000	$10,001 - $20,000	$20,001 - $40,000	$40,001 - $60,000	$60,000 - $75,000	$75,001 & Over
	Debit	Debit	Debit	Debit	Debit	Debit
1 claim	0 - 10%	10% - 20%	20%	20% - 25%	25% - 50% Refer	50% - 75% Refer
2 claims	15% - 30%		30% - 40%	40%	50% - 75% Refer*	Refer*
3 claims Refer**						

*Consider for non-renewal or apply highest debit allowed
**Should consider for non-renewal

Rating of claims and use of experience rating plan shall not be excessive, inadequate or unfairly discriminatory.

(3) Rule **3. Loss Prevention/Risk Management Credit** is deleted and replaced by the following:

Dentists who participate in a Company sponsored or approved loss prevention program/risk management program will be eligible for a 5% Risk Management Discount for a period of 3 years.

(4) Rule 4. **Deductibles** is deleted and replaced with the following:

It shall be permissible to offer deductibles applicable to the Dental Professional Liability coverage which shall apply on a per claim basis, on indemnity payments only and shall not be subject to an annual aggregate. This credit applies to the base premium. The deductible options shall be as follows:

Options	Deductible Amount	Credit Factor
Option 1	$1,000	0.05
Option 2	$2,500	0.10
Option 3	$5,000	0.19
Option 4	$10,000	0.30

(5) Claim-Free Discount

A claim-free discount of 10% shall be applied. To be eligible the following criteria must be met:

No claim of $500 or more incurred indemnity and ALAE in the last 5 years.

Note: A combination of a maximum of 2 claims is allowable for this discount.

(6) A credit of 5% will be applied to each dentist who is a member of the Dental Association/Society.

Neuman, Gayle

From: DSowell@FFIC.COM
Sent: Thursday, May 31, 2007 2:15 PM
To: Neuman, Gayle
Subject: Re: Dentist Professional Liability - Rate/Rule Filing #TANE DPL IL 07 07 RR
Attachments: ILRF3.pdf; IL_State Exception Pages 07.pdf; ATT3212562.txt

Ms. Neuman,

Our responses to the concerns addressed in your May 24, 2007 email are below in blue. Please let me know if you have any questions or need any additional information.

Thank you.

Diane Sowell
Regulatory Affairs Lead
Fireman's Fund Insurance Company
Direct: 312.456.5146
Facsimile: 866.613.6395
Email: dsowell@ffic.com

"Neuman, Gayle" <Gayle.Neuman@illinois.gov>

05/24/2007 09:25 AM

To <DSowell@ffic.com>
cc
Subject Dentist Professional Liability - Rate/Rule Filing #TANE DPL IL 07 07 RR

Ms. Sowell,

The Department is in receipt of the above referenced filing number submitted by letter dated May 8, 2007. The submission is not acceptable for filing in Illinois due to the following reason(s):

1. The quarterly installment premium payment plan shall require the second, third and fourth installment payments be due 3, 6, and 9 months from policy inception, respectively . Please indicate if there are no interest charges or installment fees. Please clarify that the service fee is charged per installment fee or just once on each policy renewal. The manual indicates the service fee has a $5.00 maximum. Please indicate how the service fee would be determined (i.e. who would be charged $1 vs. $5). There should also be a provision stating that additional premium resulting from changes to the policy shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction.

There is a one time charge of $5.00 applied if installment options are selected payable with the first installment.

We have made revisions to the Illinois State Exception Pages, page 3 of 6.

2. Rule 4. Additional Classifications - a 20% charge may be applied to Dentists other than oral surgeons who perform minor surgical procedures. Please explain the criteria to determine if it is charged or not charged.

This rule has been deleted from this filing. Please see Illinois State Exception Pages, page 5 of 6.

3. Under Rule 1. Individual Risk Premium Modification Plan, the maximum modification shall not exceed 40% - is that debit, credit or both? Additionally, category a. states "dentists with large proportions of..." - the term "large" is up for interpretation?

We have amended this statement to read: The maximum modification (+ / -) for professional liability premiums for dental practitioners shall not exceed 40%. Please see Illinois State Exception Pages, page 5 of 6.

4. Rule 2. Experience Rating Plan, many of the categories indicate a debit range of discount. Please explain the criteria to determine if an insured gets (for example) a 15% debit or a 30% debit.

An experience debit is applied based upon the number of claims and total value of such claims within the review period. For example:

If an insured has 2 claims reported in the past 4 years with a total incurred value of $27,500, the applicable debit will be 30%.
If an insured has 1 claim reported in the past 4 years and an incurred value of $10,250, the applicable debit will be 10%.

5. Please explain the difference between "Restrictions of Coverage or Increased Rate" vs. "Individual Risk Modification Plan". How many policies are written with each of these rating plans?

Restrictions of Coverage or Increased Rate refers to "a" rated risks. We do not have any "a" rated risks in Illinois.

6. Under the Unlimited Extended Reporting Coverage, the manual fails to indicate the insured has at least a 30 day period to purchase such coverage. Additionally, if the insured has general liability coverage under their policy, the insured gets a free 60 day period after the end of the policy to request the e.r.p. and must offered (a) a free 5 year tail and (b) an unlimited tail with limits reinstated (100% of aggregate expiring limits for the duration) and premium capped (e.r.p. is limited to a 200% cap of the annual premium of the expiring policy).

The insured is provided an automatic 60 day election period to purchase Extended Reporting Period Coverage. This statement has been added to the Illinois State Exception Pages, under item 4, on page 2 of 6.

7. Under Deductibles, the manual indicates the credit factor applies to the basic limits premium of $1M/$3M. How does the credit factor adjust for policies written with different limits?

The deductible factor applies in the same fashion regardless of the limit option chosen.

8. Does the figure on the RF-3 Summary Sheet also represent general liability premium? If so, the premium should be appropriately divided and general liability premium should be disclosed on the "Liability Other Than Auto" line.

The RF-3 has been corrected. Also, the 2006 Illinois Written Premium on Exhibit 2, Sheet 4 represents both professional liability and general liability premium. From our data system, we can separate the total written premium into the PL and GL components. Please see the table below.

IL 2006 PL WP	IL 2006 GL WP	Total IL 2006 WP
1,936,868	91,746	2,028,614

We do not have the exact split of PL and GL premium by proposed class. If we assume the split of PL and GL premium for each proposed class is the same as the split for the overall WP in the table above, the following table shows the estimated PL and GL premium for each proposed class.

Proposed Class Under New Class Plan:	2006 IL PL WP	2006 IL GL WP
Class 1	$853,757	$ 40,441
Class 2	$987,291	$ 46,766
Class 3	$32,597	$ 1,544
Class 4	$13,743	$ 651
Class 5 (current Class 3)	$48,200	$ 2,283
Class 5 (current Class 4)	$1,280	$ 61
Total	$1,936,868	$91,746

9. Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If yes, what stat agency is being used?

The American Insurance Company has a plan for the gathering of statistics and the reporting of statistics to statistical agents. Our statistical agent is National Independent Statistical Service (NISS).

We request receipt of your response by May 31, 2007.

Gayle Neuman
Property & Casualty Compliance, Division of Insurance
Illinois Department of Financial & Professional Regulation
(217) 524-6497

Please refer to the Property and Casualty Review Requirement Checklists before submitting any filing. The checklists can be accessed through the Department's website (http://www.idfpr.com/) by clicking on: Insurance; Industry; Regulatory; IS3

Review Requirements Checklists; Property Casualty IS3 Review Requirements Checklists.

FIREMAN'S FUND INSURANCE COMPANIES
DENTAL PROFESSIONALS PROGRAM BUSINESS LIABILITY PLAN
STATE EXCEPTION PAGES
ILLINOIS (12)

I. Rating Territories:

Territory I: Cook County
Territory II: Remainder of State

II. Dental Practitioner Rates:

1. Premium Rate Tables:

MATURE CLAIMS MADE RATES
($1,000,000/$3,000,000 Limits)

Dental Classification	Territory I	Territory II
I	$1,704	$1,065
II	$2,130	$1,331
III	$2,556	$1,598
IV	$3,408	$2,149
V	$13,632	$8,520

OCCURRENCE RATES
($1,000,000/$3,000,000 Limits)

Dental Classification	Territory I	Territory II
I	$1,823	$1,140
II	$2,279	$1,425
III	$2,735	$1,710
IV	$3,646	$2,280
V	$14,584	$9,120

2. Claims-Made Step Factors

These factors apply to the mature claims-made rate:

Years of Claims-Made Coverage		**Dentists**	**Oral Surgeons**
Claims-Made Year	**# of Days**	**Step Factors**	**Step Factors**
Year 1	0 - 182	0.29	0.29
Year 2	183 - 547	0.54	0.54
Year 3	548 - 912	0.73	0.73
Year 4	913 - 1277	0.81	0.81
Year 5	1278 - 1642	0.90	0.90
Mature Claims-Made	1643 +	1.00	1.00

FIREMAN'S FUND INSURANCE COMPANIES
DENTAL PROFESSIONALS PROGRAM BUSINESS LIABILITY PLAN
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3. Increase / Decrease Limits

The following increase limit factors shall apply to occurrence and claims-made coverages as follows:

Option	Limit of Liability (Professional)	Increase / Decrease Factors Dentists	Increase / Decrease Factors Oral Surgeons
A	$100,000 / $300,000	0.782	0.500
B	$200,000 / $600,000	0.890	0.625
C	$500,000 / $1,500,000	0.946	0.813
D	$1,000,000 / $3,000,000	1.000	1.000
E	$2,000,000 / $6,000,000	1.150	1.206
F	$3,000,000 / $6,000,000	1.250	1.309
G	$4,000,000 / $6,000,000	1.300	1.377
H	$5,000,000 / $6,000,000	1.350	1.428

4. Extended Reporting/Prior Acts Period Coverage Factors

The factors in the table below shall be applied to the mature claims made rate in effect at the inception of the terminated policy. The extension period shall be unlimited unless otherwise noted.

The insured is provided an automatic 60 day election period to purchase Extended Reporting Period Coverage.

CLAIMS-MADE EXTENDED REPORTING PERIOD FACTORS

Years of Prior Claims-Made Coverage	First Year	Second Year	Third Year	Prepaid Factors
1	0.31	0.23	0.30	0.79
2	0.51	0.35	0.46	1.23
3	0.61	0.49	0.46	1.45
4+	0.73	0.49	0.46	1.57

OCCURRENCE PRIOR ACTS FACTORS

Years of Prior Claims-Made Coverage	First Year	Second Year	Third Year	Prepaid Factors
1	0.28	0.25	0.22	0.71
2	0.45	0.41	0.32	1.11
3	0.55	0.44	0.40	1.31
4+	0.62	0.45	0.42	1.41

FIREMAN'S FUND INSURANCE COMPANIES
DENTAL PROFESSIONALS PROGRAM BUSINESS LIABILITY PLAN
STATE EXCEPTION PAGES
ILLINOIS (12)

III. Amended Professional Liability Rules

A. Under Section **A. GENERAL GUIDELINES**, the following amendments are made:

The following rule is added:

Premiums – Installment Payment Options

Premiums are payable on policies as stated on the Declarations when issued. 2 payment options are currently available. Premiums are due at the inception of the policy term, unless installment payment option is chosen as follows:

Bill Plan	Down Payment	Installment Amount	Billing Date	Service Fee (Max $5.00)
Four Pay	40% down	3 installments @ 20% each	Inception, 90 days, 180 days, 270 days	May be applied
Four Pay	25% down	3 installments @ 25% each	Inception, 90 days, 180 days, 270 days	May be applied

Mid-term policy changes resulting in premium adjustments will be spread equally over the remaining installments. If there are no remaining installlments, premiums resulting from such changes will be billed immediately as a seperate transaction.

B. To section **B. DENTAL CLASSIFICATIONS**, the following revisions are made:

(1) Subsection **b. Classification Plan** is deleted and replaced with the following:

b. Classification Plan:

Dental Practitioner classifications shall be determined based upon their level of practice exposure as reflected in the area of practice, administration and types of anesthetic agents used and environment in which they are administered. Use the following table of Dental Practitioner Classifications to determine the appropriate premium class.

If more than one classification applies, the highest rated classification shall be used for premium rating.

All percentages are based upon the *number* of procedures performed in the practice.

Class 1	**DENTAL CLASS I** **NON-INVASIVE OR MINIMALLY INVASIVE PROCEDURES AND SELECT SPECIALTIES**
	Specialists:
	Endodontist
	Orthodontist (simple extractions up to 25% of procedures)
	Public Health Dentist
	Periodontist (surgical placement of implants up to 25% of procedures)
	Prosthodontist (surgical placement of implants up to 25% of procedures)
	Pediatric Dentist
	Oral Pathologist

FIREMAN'S FUND INSURANCE COMPANIES
DENTAL PROFESSIONALS PROGRAM BUSINESS LIABILITY PLAN
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	General Dentists performing the following procedures:	
		Diagnostic
		Preventative
		Restorative
		Non-surgical TMJ treatments – mouth guards and splints
		Cosmetic whitening, veneers
		Restorative Implants up to 15% of practice (based on number of procedures)
		Endodontia – up to 25% of practice (based on number of procedures)
		Prosthodontia – up to 25% of practice (based on number of procedures)
		Periodontia – up to 25% of practice (based on number of procedures)
		Oral surgery (up to 25% of total practice, based on number or procedures; simple extractions only, no full bony or partial bony impactions)
	This classification applies to all DDS's or DMD's who are Board Eligible or Certified Specialists in the above areas; or are General Practitioners and who use local, nitrous oxide or oral conscious sedation. This classification also applies to all dentists who provide services to patients who have been administered deep sedation or general anesthesia in their office, or in a hospital, or surgi-center by an MD / nurse anesthetist, dentist anesthetist, or oral surgeon not in their employ.	
Class 2	**DENTAL PROCEDURES LEVEL II & SPECIALIZED AREAS OF PRACTICE/PROCEDURES:**	
	Applies to all General Dentists:	
	With 25% or greater percentage of practice (in any one category) in the specialty areas of Prosthodontics and/or Endodontics, surgical Periodontal procedures, Orthodontics or oral surgery (*simple extractions only, no extractions of full or partial bony impacted teeth*).	
	For classification purposes all dentists whose procedures exceed 25% or more in the above specialized areas of practice will be rated under this classification.	
Class 3	**DENTAL PROCEDURES LEVEL III & SPECIALIZED AREAS OF PRACTICE/PROCEDURES:**	
	Applies to all Specialists (except Oral Surgeons) and General Dentists:	
	Extractions of full or partial bony impacted teeth	
	Applies to all General Dentists:	
	Implant restorations that exceed 15% of the total practice	
	This classification applies to all General Dentists DDS's or DMD's whose practice specializes in providing implants. For classification purposes all insureds that treat 15% or more of their patients for implants will be rated under this classification.	
Class 4	**ANESTHESIA CLASS (CURRENTLY CLASS II OR B)**	
	Anesthesia	I.V. Conscious Sedation I.M. Conscious Sedation Sub-cutaneous conscious sedation
	Anesthesia: This classification contemplated the insured dentist administering the sedation and performing the dental procedure.	
Class 5	**Oral & Maxillofacial Surgeons and Dentist Anesthesiologists**	
	Anesthesia	In-Office Includes General Anesthesia
	This classification applies to all Oral Surgeons and Dental Anesthesiologists. This classification would also apply to any DDS or DMD who administer and treat patients under I.V. or I.M. conscious sedation or deep sedation or general anesthesia in their office. Proof of their education and training would need to be secured prior to proceeding (see comments under General Anesthesia).	

(2) Rule **3., 3. a. Part-Time Practitioner** is deleted and replaced by the following:

Dentists who practice 20 hours or less a week will be eligible for part-time status at 40% premium credit.

C. Section **C. ADDITIONAL COVERAGE / RATING RULES,** the following revisions are made:

(1) Rule **1. Individual Risk Premium Modification Plan** is amended as follows:

The maximum modification (+ / -) for professional liability premiums for dental practitioners shall not exceed 40%.

(2) Rule **2. Experience Rating Plan**, is deleted and replaced by the following:

An experience rating plan debit or credit shall be applied based upon an insured dentists claims experience in the preceding five (5) year period. The criteria used to determine the application of this experience rating debit or credit shall include the following in determining the debit:

a. The number of claims – frequency or pattern, isolated claim
b. The total incurred losses – indemnity and expense reserves
c. Total paid losses – indemnity paid and expenses paid
d. The cause of these losses – professional conduct
e. Corrective actions taken for subsequent loss prevention – Continuing education and risk management, disciplinary body activity
f. Areas of specialization – nature of practice, training

Total Indemnity and/or Total Reserves	$0 - $10,000	$10,001 - $20,000	$20,001 - $40,000	$40,001 - $60,000	$60,000 - $75,000	$75,001 & Over
	Debit	Debit	Debit	Debit	Debit	Debit
1 claim	0 - 10%	10% - 20%	20%	20% - 25%	25% - 50% Refer	50% - 75% Refer
2 claims	15% - 30%		30% - 40%	40%	50% - 75% Refer*	Refer*
3 claims Refer**						

*Consider for non-renewal or apply highest debit allowed
**Should consider for non-renewal

Rating of claims and use of experience rating plan shall not be excessive, inadequate or unfairly discriminatory.

(3) Rule **3. Loss Prevention/Risk Management Credit** is deleted and replaced by the following:

Dentists who participate in a Company sponsored or approved loss prevention program/risk management program will be eligible for a 5% Risk Management Discount for a period of 3 years.

(4) Claim-Free Discount

A claim-free discount of 10% shall be applied. To be eligible the following criteria must be met:

No claim of $500 or more incurred indemnity and ALAE in the last 5 years.

Note: A combination of a maximum of 2 claims is allowable for this discount.

(5) A credit of 5% will be applied to each dentist who is a member of the Dental Association/Society.

Neuman, Gayle

From: Neuman, Gayle
Sent: Thursday, May 31, 2007 7:36 AM
To: 'DSowell@FFIC.COM'
Subject: RE: Dentist Professional Liability - Rate/Rule Filing #TANE DPL IL 07 07 RR

Ms. Sowell,

That is fine.

From: DSowell@FFIC.COM [mailto:DSowell@FFIC.COM]
Sent: Wednesday, May 30, 2007 4:45 PM
To: Neuman, Gayle
Subject: Re: Dentist Professional Liability - Rate/Rule Filing #TANE DPL IL 07 07 RR

Ms. Neuman,

I am working to respond to the concerns in the email below but would like to request an extension on my response. May we have until Monday, June 4, 2007. Please advise.

Thank you.

Diane Sowell
Regulatory Affairs Lead
Fireman's Fund Insurance Company
Direct: 312.456.5146
Facsimile: 866.613.6395
Email: dsowell@ffic.com

"Neuman, Gayle" <Gayle.Neuman@illinois.gov>

05/24/2007 09:25 AM

To <DSowell@ffic.com>
cc
Subject Dentist Professional Liability - Rate/Rule Filing #TANE DPL IL 07 07 RR

Ms. Sowell,

The Department is in receipt of the above referenced filing number submitted by letter dated May 8, 2007. The submission is not acceptable for filing in Illinois due to the following reason (s):

1. The quarterly installment premium payment plan shall require the second, third and fourth installment payments be due 3, 6, and 9 months from policy inception, respectively . Please indicate if there are no interest charges or installment fees. Please clarify that the service fee

is charged per installment fee or just once on each policy renewal. The manual indicates the service fee has a $5.00 maximum. Please indicate how the service fee would be determined (i.e. who would be charged $1 vs. $5). There should also be a provision stating that additional premium resulting from changes to the policy shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction.

2. Rule 4. Additional Classifications - a 20% charge may be applied to Dentists other than oral surgeons who perform minor surgical procedures. Please explain the criteria to determine if it is charged or not charged.

3. Under Rule 1. Individual Risk Premium Modification Plan, the maximum modification shall not exceed 40% - is that debit, credit or both?
Additionally, category a. states "dentists with large proportions of..." - the term "large" is up for interpretation?

4. Rule 2. Experience Rating Plan, many of the categories indicate a debit range of discount. Please explain the criteria to determine if an insured gets (for example) a 15% debit or a 30% debit.

5. Please explain the difference between "Restrictions of Coverage or Increased Rate" vs. "Individual Risk Modification Plan". How many policies are written with each of these rating plans?

6. Under the Unlimited Extended Reporting Coverage, the manual fails to indicate the insured has at least a 30 day period to purchase such coverage. Additionally, if the insured has general liability coverage under their policy, the insured gets a free 60 day period after the end of the policy to request the e.r.p. and must offered (a) a free 5 year tail and (b) an unlimited tail with limits reinstated (100% of aggregate expiring limits for the duration) and premium capped (e.r.p. is limited to a 200% cap of the annual premium of the expiring policy).

7. Under Deductibles, the manual indicates the credit factor applies to the basic limits premium of $1M/$3M. How does the credit factor adjust for policies written with different limits?

8. Does the figure on the RF-3 Summary Sheet also represent general liability premium? If so, the premium should be appropriately divided and general liability premium should be disclosed on the "Liability Other Than Auto" line.

9. Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If yes, what stat agency is being used?

We request receipt of your response by May 31, 2007.

Gayle Neuman
Property & Casualty Compliance, Division of Insurance
Illinois Department of Financial & Professional Regulation
(217) 524-6497

Please refer to the Property and Casualty Review Requirement Checklists before submitting any filing. The checklists can be accessed through the Department's website (http://www.idfpr.com/) by clicking on: Insurance; Industry; Regulatory; IS3

Review Requirements Checklists; Property Casualty IS3 Review Requirements Checklists.

FIREMAN'S FUND INSURANCE COMPANIES
DENTAL PROFESSIONALS PROGRAM BUSINESS LIABILITY PLAN
STATE EXCEPTION PAGES
ILLINOIS (12)

I. Rating Territories:

Territory I: Cook County
Territory II: Remainder of State

II. Dental Practitioner Rates:

1. Premium Rate Tables:

MATURE CLAIMS MADE RATES
($1,000,000/$3,000,000 Limits)

Dental Classification	Territory I	Territory II
I	$1,704	$1,065
II	$2,130	$1,331
III	$2,556	$1,598
IV	$3,408	$2,149
V	$13,632	$8,520

OCCURRENCE RATES
($1,000,000/$3,000,000 Limits)

Dental Classification	Territory I	Territory II
I	$1,823	$1,140
II	$2,279	$1,425
III	$2,735	$1,710
IV	$3,646	$2,280
V	$14,584	$9,120

2. Claims-Made Step Factors

These factors apply to the mature claims-made rate:

Years of Claims-Made Coverage		**Dentists**	**Oral Surgeons**
Claims-Made Year	**# of Days**	**Step Factors**	**Step Factors**
Year 1	0 - 182	0.29	0.29
Year 2	183 - 547	0.54	0.54
Year 3	548 - 912	0.73	0.73
Year 4	913 - 1277	0.81	0.81
Year 5	1278 - 1642	0.90	0.90
Mature Claims-Made	1643 +	1.00	1.00

as rec'd on 5-9-07

FIREMAN'S FUND INSURANCE COMPANIES
DENTAL PROFESSIONALS PROGRAM BUSINESS LIABILITY PLAN
STATE EXCEPTION PAGES
ILLINOIS (12)

3. Increase / Decrease Limits

The following increase limit factors shall apply to occurrence and claims-made coverages as follows:

Option	Limit of Liability (Professional)	Increase / Decrease Factors Dentists	Increase / Decrease Factors Oral Surgeons
A	$100,000 / $300,000	0.782	0.500
B	$200,000 / $600,000	0.890	0.625
C	$500,000 / $1,500,000	0.946	0.813
D	$1,000,000 / $3,000,000	1.000	1.000
E	$2,000,000 / $6,000,000	1.150	1.206
F	$3,000,000 / $6,000,000	1.250	1.309
G	$4,000,000 / $6,000,000	1.300	1.377
H	$5,000,000 / $6,000,000	1.350	1.428

4. Extended Reporting/Prior Acts Period Coverage Factors

The factors in the table below shall be applied to the mature claims made rate in effect at the inception of the terminated policy. The extension period shall be unlimited unless otherwise noted.

CLAIMS-MADE EXTENDED REPORTING PERIOD FACTORS

Years of Prior Claims-Made Coverage	First Year	Second Year	Third Year	Prepaid Factors
1	0.31	0.23	0.30	0.79
2	0.51	0.35	0.46	1.23
3	0.61	0.49	0.46	1.45
4+	0.73	0.49	0.46	1.57

OCCURRENCE PRIOR ACTS FACTORS

Years of Prior Claims-Made Coverage	First Year	Second Year	Third Year	Prepaid Factors
1	0.28	0.25	0.22	0.71
2	0.45	0.41	0.32	1.11
3	0.55	0.44	0.40	1.31
4+	0.62	0.45	0.42	1.41

FIREMAN'S FUND INSURANCE COMPANIES
DENTAL PROFESSIONALS PROGRAM BUSINESS LIABILITY PLAN
STATE EXCEPTION PAGES
ILLINOIS (12)

III. Amended Professional Liability Rules

A. Under Section **A. GENERAL GUIDELINES**, the following amendments are made:

The following rule is added:

Premiums – Installment Payment Options

Premiums are payable on policies as stated on the Declarations when issued. 2 payment options are currently available. Premiums are due at the inception of the policy term, unless installment payment option is chosen as follows:

Bill Plan	Down Payment	Installment Amount	Billing Date	Service Fee (Max $5.00)
Four Pay	40% down	3 installments @ 20% each	Inception, 60 days, 120 days, 180 days	May be applied
Four Pay	25% down	3 installments @ 25% each	Inception, 60 days, 120 days, 180 days	May be applied

B. To section **B. DENTAL CLASSIFICATIONS**, the following revisions are made:

(1) Subsection **b. Classification Plan** is deleted and replaced with the following:

b. Classification Plan:

Dental Practitioner classifications shall be determined based upon their level of practice exposure as reflected in the area of practice, administration and types of anesthetic agents used and environment in which they are administered. Use the following table of Dental Practitioner Classifications to determine the appropriate premium class.

If more than one classification applies, the highest rated classification shall be used for premium rating.

All percentages are based upon the *number* of procedures performed in the practice.

Class 1	**DENTAL CLASS I** **NON-INVASIVE OR MINIMALLY INVASIVE PROCEDURES AND SELECT SPECIALTIES**	
	Specialists:	
		Endodontist
		Orthodontist (simple extractions up to 25% of procedures)
		Public Health Dentist
		Periodontist (surgical placement of implants up to 25% of procedures)
		Prosthodontist (surgical placement of implants up to 25% of procedures)
		Pediatric Dentist
		Oral Pathologist

FIREMAN'S FUND INSURANCE COMPANIES
DENTAL PROFESSIONALS PROGRAM BUSINESS LIABILITY PLAN
STATE EXCEPTION PAGES
ILLINOIS (12)

	General Dentists performing the following procedures:	
		Diagnostic
		Preventative
		Restorative
		Non-surgical TMJ treatments – mouth guards and splints
		Cosmetic whitening, veneers
		Restorative Implants up to 15% of practice (based on number of procedures)
		Endodontia – up to 25% of practice (based on number of procedures)
		Prosthodontia – up to 25% of practice (based on number of procedures)
		Periodontia – up to 25% of practice (based on number of procedures)
		Oral surgery (up to 25% of total practice, based on number or procedures; simple extractions only, no full bony or partial bony impactions)
	This classification applies to all DDS's or DMD's who are Board Eligible or Certified Specialists in the above areas; or are General Practitioners and who use local, nitrous oxide or oral conscious sedation. This classification also applies to all dentists who provide services to patients who have been administered deep sedation or general anesthesia in their office, or in a hospital, or surgi-center by an MD / nurse anesthetist, dentist anesthetist, or oral surgeon not in their employ.	
Class 2	**DENTAL PROCEDURES LEVEL II & SPECIALIZED AREAS OF PRACTICE/PROCEDURES:**	
	Applies to all General Dentists:	
	With 25% or greater percentage of practice (in any one category) in the specialty areas of Prosthodontics and/or Endodontics, surgical Periodontal procedures, Orthodontics or oral surgery (*simple extractions only, no extractions of full or partial bony impacted teeth*).	
	For classification purposes all dentists whose procedures exceed 25% or more in the above specialized areas of practice will be rated under this classification.	
Class 3	**DENTAL PROCEDURES LEVEL III & SPECIALIZED AREAS OF PRACTICE/PROCEDURES:**	
	Applies to all Specialists (except Oral Surgeons) and General Dentists:	
	Extractions of full or partial bony impacted teeth	
	Applies to all General Dentists:	
	Implant restorations that exceed 15% of the total practice	
	This classification applies to all General Dentists DDS's or DMD's whose practice specializes in providing implants. For classification purposes all insureds that treat 15% or more of their patients for implants will be rated under this classification.	
Class 4	**ANESTHESIA CLASS (CURRENTLY CLASS II OR B)**	
	Anesthesia	I.V. Conscious Sedation I.M. Conscious Sedation Sub-cutaneous conscious sedation
	Anesthesia: This classification contemplated the insured dentist administering the sedation and performing the dental procedure.	
Class 5	**Oral & Maxillofacial Surgeons and Dentist Anesthesiologists**	
	Anesthesia	In-Office Includes General Anesthesia
	This classification applies to all Oral Surgeons and Dental Anesthesiologists. This classification would also apply to any DDS or DMD who administer and treat patients under I.V. or I.M. conscious sedation or deep sedation or general anesthesia in their office. Proof of their education and training would need to be secured prior to proceeding (see comments under General Anesthesia).	

(2) Rule **3., 3. a. Part-Time Practitioner** is deleted and replaced by the following:

Dentists who practice 20 hours or less a week will be eligible for part-time status at 40% premium credit.

(3) Rule **4. Additional Classifications,** the following rules are added:

e. A 20% charge may be applied to Dentists other than oral surgeons who perform minor surgical procedures.

C. Section **C. ADDITIONAL COVERAGE / RATING RULES,** the following revisions are made:

(1) Rule **1. Individual Risk Premium Modification Plan** is amended as follows:

The maximum modification for professional liability premiums for dental practitioners shall not exceed 40%.

(2) Rule **2. Experience Rating Plan**, is deleted and replaced by the following:

An experience rating plan debit or credit shall be applied based upon an insured dentists claims experience in the preceding five (5) year period. The criteria used to determine the application of this experience rating debit or credit shall include the following in determining the debit:

a. The number of claims – frequency or pattern, isolated claim
b. The total incurred losses – indemnity and expense reserves
c. Total paid losses – indemnity paid and expenses paid
d. The cause of these losses – professional conduct
e. Corrective actions taken for subsequent loss prevention – Continuing education and risk management, disciplinary body activity
f. Areas of specialization – nature of practice, training

Total Indemnity and/or Total Reserves	$0 - $10,000	$10,001 - $20,000	$20,001 - $40,000	$40,001 - $60,000	$60,000 - $75,000	$75,001 & Over
	Debit	Debit	Debit	Debit	Debit	Debit
1 claim	0 - 10%	10% - 20%	20%	20% - 25%	25% - 50% Refer	50% - 75% Refer
2 claims	15% - 30%		30% - 40%	40%	50% - 75% Refer*	Refer*
3 claims Refer**						

*Consider for non-renewal or apply highest debit allowed
**Should consider for non-renewal

Rating of claims and use of experience rating plan shall not be excessive, inadequate or unfairly discriminatory.

(3) Rule **3. Loss Prevention/Risk Management Credit** is deleted and replaced by the following:

Dentists who participate in a Company sponsored or approved loss prevention program/risk management program will be eligible for a 5% Risk Management Discount for a period of 3 years.

(4) Claim-Free Discount

A claim-free discount of 10% shall be applied. To be eligible the following criteria must be met:

No claim of $500 or more incurred indemnity and ALAE in the last 5 years.

Note: A combination of a maximum of 2 claims is allowable for this discount.

(5) A credit of 5% will be applied to each dentist who is a member of the Dental Association/Society.

FIREMAN'S FUND INSURANCE COMPANIES
Dental Professionals Program Business Liability Plan
RULES and RATES MANUAL

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as rec'd on 5-9-0

A. GENERAL GUIDELINES

1. Application of General Rules

This manual provides the rules, rates and classifications for writing Professional Liability and Business Liability coverages for dental practitioners as follows:

a. Individual Dental Practitioners
b. Dental Practitioner Groups

Any exception to these rules shall be contained in the respective State Exceptions page.

a. Individual Dental Practitioners

For the purposes of these rules, Individual Dental Practitioners shall be defined as a dentist practicing as a solo practitioner, partner(s), of an insured partnership, officers of a professional corporation or association, or employed practitioners who are otherwise ineligible under the rules applicable to Dental Practitioner Groups.

b. Dental Practitioner Groups

For the purposes of these rules, Dental Practitioner Groups shall be defined as a group of dental practitioners who are members of an association, organization, legal entity group dental practice or similar dental practitioner group for which an insurance program has been developed.

2. Coverages Available

The coverage available under the Dental Professionals Program Business Liability Plan shall include Dental Professional Liability and additional Business Liability coverages as outlined below and within the specific policy forms and endorsements. Dental Professional Liability is available on an Occurrence or Claims-Made Basis.

Option I: "Dental Professional Liability" (Monoline PL) (Mandatory Minimum Coverage)
Option II: "Dental Professional Program" (Professional and General Liability)

Coverage I Dental Professional Liability plus additional Business Liability coverages as outlined below and within the specific policy forms and endorsements.

Coverage		Coverage Type
II.	Dentist's General Liability Including: a. Premises, Products/Completed Operations b. Medical Payments - $10,000	Occurrence
III.	Nonowned & Hired Auto Liability	Occurrence
IV.	Employee Benefits Administration Liability	Occurrence
V.	Employment Practices Liability - $5,000	Claims-Made
VI.	Medical Waste Legal Reimbursement - $50,000	Claims-Made

The additional Coverages II - VI available under the Dental Professionals Program package are available on an all or none basis (Coverage I Dentists Professional Liability may be written on a monoline basis, see "Dental Professional Program" shown above).

Option III: "Dentist's Liability Package"

3. Limits of Liability

	Coverage I Professional Option	Coverage II, III & IV GL, Hired & NO, Employee Benefit	Coverage V Employment Practices	Coverage VI Medical Waste Legal
A	$100,000 / $300,000	$100,000 / $300,000	$5,000 / $5,000	$50,000 / $50,000
B	$200,000 / $600,000	$200,000 / $600,000	$5,000 / $5,000	$50,000 / $50,000
C	$500,000 / $1,500,000	$500,000 / $1,500,000	$5,000 / $5,000	$50,000 / $50,000
D	$1,000,000 / $3,000,000	$1,000,000 / $3,000,000	$5,000 / $5,000	$50,000 / $50,000
E	$2,000,000 / $6,000,000	$2,000,000 / $4,000,000	$5,000 / $5,000	$50,000 / $50,000
F	$3,000,000 / $6,000,000	$2,000,000 / $4,000,000	$5,000 / $5,000	$50,000 / $50,000
G	$4,000,000 / $6,000,000	$2,000,000 / $4,000,000	$5,000 / $5,000	$50,000 / $50,000
H	$5,000,000 / $6,000,000	$2,000,000 / $4,000,000	$5,000 / $5,000	$50,000 / $50,000

Coverage II Dentists General Liability, Coverage III Nonowned & Hired Auto Liability and Coverage IV Employee Benefits Administration Liability limits must be equal to the limits of liability listed in the table above for the option selected by the insured.

Coverage VI, Medical Waste Legal Reimbursement limits may not be increased under this program.

Coverage V Employment Practices Liability limits may be increased to $25,000 each claim/$25,000 aggregate for an additional premium charge of $130.00. Additional increased limits are available.

Premium rates are published at the $1,000,000 / $3,000,000 (Professional Liability) limits rate.
Any exceptions to this rule shall be contained within the State Rate Pages.

4. Policy Term

Policies may be written for a term of one year and shall be subject to annual rate and underwriting review.

5. Policy Cancellations

a. Compute the return premium on a pro rata basis using the rules, rates and rating plans in effect at policy inception when:

1. a policy is canceled at the company's request;
2. the insured no longer has a financial or insurable interest in the business operation that is the subject of insurance; or
3. a policy is canceled and rewritten in the same company or company group.

b. If coverage is canceled at the insured's request, the company may compute the return premium at 90% of the pro rata unearned premium.

6. Premium Computation

Premium computation shall be governed by the following rules:

a. Premium shall be computed at policy inception by using the rules, rates and rating plans in effect at policy inception. At subsequent renewals, compute the premium using the rules, rates and rating plans in effect at that time.

b. All rates shown on the State Rate Pages are for an annual period except those applicable to any Extended Reporting Period. Premium shall be prorated when a policy is issued for less than one year.

c. Premium and rates are to be rounded to the nearest whole dollar. Any amount of $.50 or over shall be rounded to the next highest whole dollar. Any amount of $.49 or under shall be rounded to the next lowest whole dollar.

d. Where applicable, factors or multipliers are to be applied consecutively and not added together. Rates, factors and multipliers are to be rounded after the final calculation of premium to three decimal places. Five tenths or more of a millionth shall be considered to be one thousandth (e.g., .4315 = .432).

7. Mid-Term Premium Changes

a. Waive additional or return premium charges of $15 or less. Grant any return premium due if requested by the insured.
b. Prorate all changes using the rates and rules in effect at policy inception.
c. Mandatory Dental Professional Liability coverage may not be deleted unless the entire policy is canceled.

8. Location of Practice/Exposure

The rates indicated on the State Rate Pages are predicated on the exposure being derived from professional practice within the state. Insureds whose practice exposure is greater than 25% outside the state shall be referred to the Company for underwriting approval and rating.

9. Restrictions of Coverage or Increased Rate

Subject to individual state regulations, policies may be issued with special restrictions or at increased premiums if the insured agrees in writing and the policy would not otherwise be written.

Any (a) rated risk written under this program shall maintain a complete file, including all details of the factors used in determining the rate modification and make such file available to state regulators upon request. Rates shall not be inadequate, excessive or unfairly discriminatory and will follow individual state regulations.

10. Claims-Made Coverage General Rules

a. Retroactive Date

The Retroactive Date is a specific date on the Declarations Page of the policy. Once a Retroactive Date is established for an insured by the Company, it may not be changed by the Company during a period of continuous coverage.

b. Prior Acts Coverage

The policy may be extended to provide prior acts coverage as follows:

1. The prior acts period may not exceed the term immediately preceding coverage under this policy during which similar coverage was continuously insured under a previous claims-made policy.

2. The limits of liability may not exceed those of the claims-made policy.

3. The appropriate step into which the insured is placed for rating purposes when claims-made coverage has been provided for less than annual periods shall be determined by the six month rounding rule as follows:

Yr. in CM:	1	2	3	4	5	Mature
# of Days:	0 - 182	183 - 547	548 - 912	913 - 1277	1278 - 1642	1643 +

Prior acts coverage when converting from Claims-Made to Occurrence Coverage shall be governed by the following rules:

a. The limits of liability may not exceed those of the occurrence policy to which the Prior Acts endorsement shall be attached.

b. The premium for this Prior Acts Endorsement shall be a one time charge payable in advance and calculated in advance as follows:

1. Determine the applicable Occurrence rate for the dental practitioner.
2. Determine the number of years of claims-made coverage for which prior acts is required.
3. Apply the applicable prepaid factor shown below to the current rate under the Occurrence policy.
4. Prior Acts premium for insureds whose maturity level is not equal to annual period shall be pro-rated.

OCCURRENCE PRIOR ACTS FACTORS

Years of Prior Claims-Made Coverage	Prepaid Factors
1	0.71
2	1.11
3	1.31
4+	1.41

c. If the occurrence policy is terminated prior to full payment of the Prior Acts Coverage charge, the insured may request to purchase an unlimited reporting period for this Prior Acts Coverage. The premium for this extended reporting period shall be a single charge as follows:

1. The portion of the return premium for the remaining policy period, if any, applicable to the Prior Acts Coverage; and
2. The total remaining annual charges, if any, for Prior Acts Coverage remaining to be paid.

c. Unlimited Extended Reporting Coverage

The availability of Extended Reporting Period "ERP" Coverage shall be governed by the following rules for Coverage I, V and VI if a claims-made package policy. If occurrence package policy, ERP for Coverage V and VI will be provided at no charge.

1. Extended Reporting Period coverage shall be available to all named insureds shown on the Declarations Page of the policy as outlined in the policy form on all claims-made coverages.

2. Available Extended Reporting Period coverage options and appropriate premium charges are shown below.

3. The limits of liability may not exceed those provided under the expiring policy.

4. The prior acts date of coverage with this Company shall determine the years of prior exposure for Extended Reporting Period coverage.

5. In the event this policy is canceled, any return premium due the insured shall be credited toward the premium for Extended Reporting Period coverage, if elected. If any premium remains due for the primary claims-made policy, any moneys received from the insured shall first be applied to the premium owed on the policy and then to the Extended Reporting Period coverage.

6. Extended Reporting Period coverage premium is fully earned when paid.

7. The Extended Reporting Period Endorsement will not:

   a. increase the limits of liability;
   b. reinstate the aggregate limit of liability under the expiring policy; or
   c. extend the policy period.

8. Extended Reporting Period coverage premium shall be calculated according to the following rules:

   a. Premium shall be paid in advance.

      A Reporting Period of unlimited duration from the effective date of policy termination shall be issued.

   b. Extended Reporting Premium, is calculated as a percentage of the mature claims-made premium rate in effect at the inception of the current policy period based upon the applicable Dental practitioners classification, level of claims-made coverage maturity and ERP factors as shown below. ERP premium for insureds whose maturity level is not equal to annual period shall be pro-rated for the last annual period.

CLAIMS-MADE EXTENDED REPORTING PERIOD FACTORS

Years of Prior Claims-Made Coverage	Prepaid Factors
1	0.79
2	1.23
3	1.45
4+	1.57

Extended Reporting Endorsement Calculation Steps:

Step 1: Multiply the at limits mature rates by yearly ERP Factors (factor for last completed full claims-made year).
Step 2: Multiply mature rates by yearly ERP Factor (factor for current partial year as if a full year).
Step 3: Obtain the difference between Steps 1 and 2 above (represents portion of full ERP cost attributable to last full year).
Step 4: Apply earned pro-rata factor to Step 3 results (partial maturity year coverage premium).
Step 5: Add results from Steps 1 and 4 to determine extended reporting period coverage premium.

Example Prepaid Calculation:

At Limits Mature Rate = $2,000
Dentists leaving 3 months in 2nd year of claims-made coverage
Earned Pro-rata factor = .25
Prepaid Factors are used in this calculation

Step 1:	$2,000 x .90	= $1,800	(Full Year)
Step 2:	$2,000 x 1.42	= $2,840	(Partial Year)
Step 3:	$2,840 - 1,800	= $1,040	(Difference)
Step 4:	$1,040 x .25	= $260	(Pro-rata Partial Year)
Step 5:	$1,800 + $260	= $2,060	(ERP Cost, Step 1 + Step 4)

9. Death & Disability Benefits:

If a named insured dental practitioner dies or become disabled while this policy is in effect, we will issue the Extended Reporting Period without requiring the payment of any additional premium. Disability shall mean the total and permanent disability from the practice of clinical dentistry for a period of six consecutive months without expectation of recovery.

In order to obtain a waiver of the premium for the Extended Reporting Period, the disability or death must result from sickness or accidental bodily injury and be confirmed in writing by an independent attending physician.

10. Retirement Benefits:

Named insured dental practitioners that fully retire from the practice of dentistry, will be eligible for the waiver or reduction of the Extended Reporting Period premium that may apply. These retirement benefits are not applicable unless they have met our policy premium payment obligations and completely retire from the practice of dentistry. This benefit is not applicable to Organization Coverage.

Retirement benefits are fully earned as follows:

If the policy is terminated due to retirement of the insured at age 50 or more and insured under an FFIC Company for at least 5 years, a credit of one fifth of the otherwise applicable Extended Reporting Period Endorsement premium will be applied for each full annual period the insured has consecutively been insured with the Company.

In order to receive the retirement benefit for the Extended Reporting Period, in whole or in part, proof of the insured's retirement must be sent to us within 60 days following retirement. If the insured owes us any premium, they must pay us before we will issue the Extended Reporting Period.

11. Extended Reporting Coverage is available for ERISA Fiduciary Coverage and Billing Errors & Omissions Coverage. A factor of .75 will apply to the rate.

12. Extended Reporting Coverage is available for Employment Practices Liability increased limits. A factor of .75 will apply to the rate.

d. Change of Exposure

Dental practitioners may change their dental classification or otherwise change the exposure of their practice which may require an additional premium charge to reflect the incurred but not reported claim exposure under a claims-made coverage form of their prior classification or higher exposure.

This charge reflecting the difference between the previous and new such exposure or classification shall be calculated and collected at the time of the change unless:

1. The insured is otherwise eligible for Extended Reporting Period Coverage at no charge under the terms of the policy;

2. The previous and new classification reflects the same premium rate.

3. The following procedure should be used to calculate the exposure surcharge applicable under this rule:

   a. calculate the at limits Extended Reporting Period Coverage premium applicable under the previous classification/exposure.

   b. calculate the at limits Extended Reporting Period Coverage premium under the new reduced classification/exposure.

   c. If the at limits premium for the Extended Reporting Period Coverage for the new classification/exposure is less than the premium for the ERP of the previous classification/exposure, the dollar amount of the difference should be charged.

   d. If the at limits premium for the Extended Reporting Period Coverage for the new classification/exposure is more than the premium for the ERP for the previous classification/exposure, there shall be no premium charge.

B. DENTAL CLASSIFICATIONS

1. Dental Practitioner Classifications

The following definitions shall be used to assist in determining the appropriate classification for an individual dental practitioner based upon the nature of their dental practice. The company reserves the right to determine an individual dentist's classification based upon the dental and anesthetic procedures performed. Any exceptions to these classifications, if any, shall be contained in the respective State Exceptions page.

a. Classification Definitions:

1. Conscious Sedation:

Conscious Sedation means a minimally depressed level of consciousness that retains the patient's ability to independently and continuously maintain an airway and respond appropriately to physical stimulation and verbal commands. This is produced by pharmacological or non-pharmacological methods, or a combination thereof. For purposes of this insurance, the use of oral medication and nitrous oxide solely as an analgesic shall not be considered conscious sedation.

2. Deep Sedation:

Deep Sedation means a controlled state of depressed consciousness or unconsciousness, accompanied by partial or complete loss of protective reflexes, including the inability to independently maintain an airway and respond purposely to physical stimulation or verbal commands. This is produced by a pharmacological or non-pharmacological method, or a combination thereof.

3. General Anesthesia:

General Anesthesia means a controlled state of depressed consciousness or unconsciousness, accompanied by partial or complete loss of protective reflexes, including the inability to independently maintain an airway and respond purposely to physical stimulation or verbal command. This is produced by a pharmacological or non-pharmacological method, or combination thereof.

b. Classification Plan:

Dental Practitioner classifications shall be determined based upon their level of practice exposure as reflected in the area of practice, administration and types of anesthetic agents used and environment in which they are administered. Use the following table of Dental Practitioner classifications to determine the appropriate premium class.

If more than one classification applies, the highest rated classification shall be used for premium rating.

Class	Description	ISO Code*
I.	Dentists other than oral surgeons who perform dentistry on patients who have been treated with:	80211

Local anesthesia, nitrous oxide sedation and oral medication. Conscious sedation, deep sedation or general anesthesia must be administered by a licensed dental anesthesiologist within the office, in a hospital or state licensed surgical center;

II.	Dentists other than oral surgeons who perform dentistry on patients who have been treated with: Local anesthesia, nitrous oxide sedation or conscious sedation. Deep sedation or general anesthesia must be administered by a licensed dental anesthesiologist within the office, in a hospital or state licensed surgical center;	88060
III.	Oral surgeons who perform oral surgery on patients who have been treated with: Local anesthesia and nitrous oxide sedation, conscious sedation, deep sedation or general anesthesia.	80210
IV.	Dental Anesthesiologists whose practice includes deep sedation and/or general anesthesia.	88059

***88060 replaces 80211 and 88059 replaces 80151**

The following additional classifications shall be used for internal Company purposes and shall not impact a dental practitioners premium charge unless otherwise noted within the State Exception Pages:

Practice Specialization Classes:

00 General Practitioner
10 Oral Surgeon
15 Endodontist
20 Orthodontist
30 Periodontist
50 Prosthodontist
55 Pediodontist
65 Clinic / Group
70 Full time Professor, Graduate Student or Government Employee
80 Public Health Dentistry
90 Oral Pathologist
95 Forensic Dentist

Anesthetic Classes:

01 Local anesthesia and/or oral medication only
02 01 + Nitrous Oxide
03 02 + Conscious Sedation
04 03 + Deep Sedation or General Anesthesia
05 Dental Anesthesiology

2. Organization/Entity Coverage

It shall be permissible to provide organization/entity coverage for dental practitioner group partnerships, corporations or professional associations for liability arising from the practice of dentistry by member dental providers and allied practitioners.

Classification Code: 80999

The rate for organization/entity coverage on a separate limit of liability basis shall be 10% of the premium for providers.

3. Limited Clinical Practice

Dental practitioners may pose a more limited exposure due to various factors that limit their clinical practice of dentistry. It shall be permissible to cover these dental practitioners at a reduced rate as indicated subject to the following classifications of Limited Clinical Practice **unless stated otherwise on State Rate Pages:**

1.	Part-Time Dentist:	20 hrs./wk. or less	charge 50% of the Dental Rate
2.	Full-Time Professor or Graduate Student	16 hrs./wk. or less	charge 50% of the Dental Rate
3.	Disability/Leave of Absence		charge 0% of the Dental Rate

a. Part-Time Practitioner

Dentists who practice 20 hours or less a week will be eligible for part-time status at 50% premium credit.

b. Teaching Dentists

Dentists may be classified as a Teaching Dentist if they are teaching dentists or graduate students in a state accredited university or dental college who do not engage in any dental practice more than 16 hours per week.

c. Temporary Disability / Leave of Absence

A dentist who becomes Temporarily Disabled or is on a Leave of Absence for a period of 45 days up to 12 months may be eligible for a suspension of practice endorsement if the disability or leave of absence is for the following:

1. Military leave;
2. Pregnancy and/or parental care of a newborn or newly adopted child;
3. Short-term disability;
4. To care for a seriously ill dependent minor child, spouse, parent or parent-in-law;
5. Continuing dental education in an accredited dental school; or
6. Sabbatical Leave

This would apply retroactively to the first day of Disability or Leave of Absence.

Coverage will not apply to Dental Professional Services provided during the Leave of Absence period but will continue to cover claims, which are reported during the Leave of Absence period which occurred subsequent to the Retroactive Date and prior to the Leave of Absence period.

4. Additional Classifications

a. Newly Graduated Dentist

It shall be permissible to offer dentists who are new to the private practice of dentistry a reduced premium charge as indicated below. A newly graduated dentist shall be defined as a dentist who has completed training in dentistry from a domestic accredited university or dental college within the previous twelve months or the experienced military dentist who within 6 months of honorable discharge or a foreign graduate with a 4 year program from an accredited U.S. dental school, and will be joining a dental group or opening a private practice, and for whom this is the first professional liability insurance coverage provided other than that for Dental Examinations.

1.	First Year of Practice	Charge 40% of the Dental Rate
2.	Second Year of Practice	Charge 60% of the Dental Rate
3.	Third Year of Practice	Charge 80% of the Dental Rate

This credit does not apply if a part-time credit is given.

b. Replacement Dentists - Locum Tenens

Coverage for dentists substituting for an insured dentist on a temporary basis may be added to cover the substitute dentists only while acting on behalf of the insured dentist for a defined period. The replacement dentist will share the insured's limits of liability for no additional premium charge. Coverage is available for a maximum of 90 days per policy year.

The replacement dentist shall complete an application and submit it in advance of the effective date of coverage for prior approval by the company.

c. Examination Coverage:

Dental Professional Liability coverage may be written for dental students or individuals (not students) covering dental incidents taking place during Dental Board Examinations. Coverage is provided on an occurrence basis applying to all examinations in a calendar year. Limits of liability are $100,000 per claim /$300,000 annual aggregate. Should the student purchase coverage within 1 year of passing exams, the $25.00 charge will be applied to the professional liability policy premium.

Each Dental Student:	$25.00 Flat Charge

d. Dental Societies / Associations:

Dental Professional Liability coverage may be provided to state or local dental societies, associations or organizations established to support the dental profession. The following charge will apply:

Rating Basis:	Premium:
Insured Society	$250.00
Component Society (member society of the insured society)	$100.00

5. Additional Insured(s):

The following may be covered under the policy as an Additional Insured(s) on a shared limits of liability basis with the Named Insured dental practitioner or group. Eligible Additional Insureds and premiums shall be as follows:

TYPE:		Premium Charge:
A.	Contingent Interest 159005: Any predecessor dentist or professional corporation who may be liable for the acts of the insured as a result of the use of the name of the predecessor dentist or professional corporation by the named insured.	10% of PL Premium
B.	Operations 159010: Any person or organization for whom the insured performs dental services under contract. Provides coverage to additional insured for vicarious liability of our insured.	10% of PL Premium
C.	Lessor of Equipment 159008: Lessor of equipment leased to the insured for GL coverage.	N/C
D.	Waiver of Subrogation Rights 159035: A waiver of transfer rights of recovery may be granted for specific persons or organizations for whom the insured performs dental services under contract.	$138

6. Independent Contractors

10% of the insured's professional liability premium will be charged per independent contractor for the vicarious liability exposure assumed by the insured. Does not apply if independent contractor is insured with the Company.

C. ADDITIONAL COVERAGE / RATING RULES

1. Individual Risk Modification Plan

To recognize these individual and unique characteristics within each dental practitioner account, it shall be permissible to apply an Individual Risk Premium Modification IRPM debit and/or credit to the rates and premiums otherwise developed, depending on the underwriter's overall evaluation of the account's risk.

The following outlines the some criteria upon which IRPM debits and/or credits may be applied to an individual account. The maximum IRPM debit or credit that may be applied on any one account is subject to state regulations governing IRPM Plans and any variances are contained in the State Rate pages.

The following IRPM Plan credits and/or debits are to be added together on an individual basis to determine one overall IRPM Plan credit or debit modification applicable to the entire account. The maximum modification for professional liability premiums for dental practitioners shall not exceed 25%.

Risk Characteristics		% Credit	% Debit
a.	Procedure Mix: Procedure or practice specialties not contemplated in basic rates. Examples include general dentists with large proportions of surgical implants, surgery, TMJ treatment, use of sargenti, endodontics or claim frequency.	0 - 25%	0 - 25%
b.	DBE Actions: Any Dental Board of Examiners action or peer review or accreditation action reflecting potentially increased exposure.	N/A	0 - 25%
c.	Unusual Risk Characteristics: Any unique characteristics of the dental practice which reflects reduced or increased exposure. ie. Cosmetic procedures	0 - 25%	0 - 25%

2. Experience Rating Plan

An experience rating plan debit or credit shall be applied based upon an insured dentists claims experience in the preceding five (5) year period. The criteria used to determine the application of this experience rating debit or credit shall include the following:

a. The number of claims
b. The total incurred losses
c. Total paid losses
d. Total paid expenses
e. The cause of these losses
f. Corrective actions taken for subsequent loss prevention
g. Areas of specialization

3. Loss Prevention/Risk Management Credit

Dentists who participate in a Company sponsored or approved loss prevention program / risk management program will be eligible for a 7.5% Risk Management Discount for a period of 3 years. **(Unless stated otherwise on State Rate Pages.)**

4. Deductibles

It shall be permissible to offer deductibles applicable to the Dental Professional Liability coverage which shall apply on a per claim basis, on indemnity payments only and shall not be subject to an annual aggregate. This credit applies to the basic limits premium ($1,000,000/$3,000,000). Deductibles may vary by state, refer to State Rate Pages for variances. The deductible options shall be as follows:

Options	Deductible Amount	Credit Factor
Option 1	$1,000	0.05
Option 2	$2,500	0.10
Option 3	$5,000	0.19
Option 4	$10,000	0.30

5. Academy of General Dentistry Membership

Academy of General Dentistry Membership – Members in good standing who have completed the following requirements are eligible for membership credit:

Application Requirements	Credit
Membership Maintenance Members must earn 75 hours of continuing dental education during their 3-year review period. Recent graduates have 5-years.	10%
Fellowship Award Requirements Fellowship requires 5 continuous years (50 consecutive months of membership in AGD, plus 500 hours of approved continuing education credit at least 350 of which is earned in course attendance). Accepted activities for Fellowship credits are: Scientific Programs Postgraduate Education Federal Dental Service Specialty Rotation Programs Self-Instruction Programs Self-Improvement AGD approved courses	15%
Mastership Award Requirements Mastership requires Fellowship status in the AGD, plus completion of 600 credit hours of approved continuing education in each of 16 separate disciplines: Myofascial Pain Dysfunction/Occlusion Operative Dentistry Periodontics Fixed Prosthodontics Removable Prosthodontics Endodontics Oral & Maxillofacial Surgery Orthodontics Pediatric Dentistry Basic Sciences Oral Medicine/Oral Diagnosis Practice Management Electives Implants Special Patient Care Esthetics	20%

Coverage Options:

6. ERISA Fiduciary Liability Coverage

ERISA Fiduciary Liability Coverage is available as follows:

$100,000 Limit	$130 Annual Premium

7. Employment Practices Liability – Increased Limits

The applicable flat rate in the following table shall be applied to each named insured policy:				
Number of	Limits of Liability			
Employees:	$100,000	$250,000	$500,000	$750,000
1 - 3	268	360	451	494
4	358	480	601	659
5	447	600	752	823
6	537	720	902	988
7	626	839	1,052	1,153
8	716	959	1,203	1,317
9	805	1,079	1,353	1,482

Deductible - $2,500 Mandatory

8. Billing Errors & Omissions Coverage

Coverage is available as follows:

$25,000 Limit $100 Annual Premium

9. Deletion of Business Liability Coverages - (General Liability)

Policies may be written to provide coverage for Dental Professional Liability only by eliminating the supplementary Business Liability coverages (Option #1 "Dental Professionals Program"). A 10% premium credit shall be applied to the rates in the premium rate tables.

10. Packaging of Coverages:

If the insured purchases a Fireman's Fund American Business Coverage (ABC) in conjunction with the Dental Professional and Business Liability coverage (Dental Professionals Program), a package credit of 10% shall be applied to all Dental Professional and Business Liability premiums. Coverage II, Dentists General Liability section of the Dental Professionals Program shall be deleted, as Comprehensive General Liability is included in the American Business Coverage package.

11. Group Discounts

A single group practice policy issued to two or more dentists is eligible for a premium discount based upon the total number of dentists and oral surgeons within the group. This discount is based on the size of the group to reflect the lower acquisition costs, reduces administrative expenses (including billing and collection) and the potential savings due to lower losses. (Group Practice appears to reduce losses due to internal risk management and other control and quality factors inherent in the group.) The following discounts are applicable:

Group Size	Premium Credit
2 – 5 Dentists	5%
6 – 10 Dentists	10%
11+ Dentists	15%

FIREMAN'S FUND INSURANCE COMPANIES
DENTAL PROFESSIONALS PROGRAM BUSINESS LIABILITY PLAN
RATE RULE MANUAL MEMORANDUM
ILLINOIS

In conjunction with the rate filing, we have redesigned our State Exception Pages as attached.

As you can see, we have made modifications to section **II. Dental Practitioner Rates.** These changes were made in accordance with our proposed rate filing as explained in the Actuarial Memorandum.

You will also note that we have added an explanation of our proposed filing. This can be found on page 3 of the State Exception Pages, under section **III. Amended Rules.**

Lastly, in an effort to simplify the State Exception Pages, we have removed all rules that are general to the program. The information we removed is currently included in the countrywide Rate and Rule Manual. That manual has not changed. The State Exception Pages contain only what is pertinent to the state of Illinois above the general, countrywide manual rates and rules.

We have removed the rules titled:

1. Academy of General Dentistry Membership
   This item is included in the general Rules and Rates Manual, so we have removed it from the State Exception Pages.

2. Employment Practices Liability – Increased Limits
   This item is included in the general Rules and Rates Manual, so we have removed it from the State Exception Pages.

You will find enclosed the State Exception Pages for the state of Illinois for your review.

The American Insurance Company
(FEIN# 22-0731810, NAIC# 761-21857)

Dentist's Professional Liability Program
Occurrence and Claims-Made
Requested Effective Date – 07/15/2007

Actuarial Memorandum

The following memorandum outlines the changes we are proposing for the Dentist's Professional Liability Program effective July 15, 2007.

Historically speaking, the Dental Professional Liability rating methodology has not incorporated an equitable mechanism for rate distribution for our customers. The attached filing allows us to refine our approach to pricing the Dental Professional Liability Program. This approach focuses on rate fairness for our customers. It applies a more favorable rate for our customers which present a lower exposure and allows for redistribution of rate based upon risk. Utilization of this approach avoids requiring a substantial portion of our customers to subsidize the performance of a smaller sector with significantly higher exposures.

The proposed revised class plan for the Dental Professional Liability Program (both the Occurrence and Claims-Made policies) is outlined below. This revised rating plan will categorize dentists in more appropriate classes to determine a more accurate rate based on specialty.

DENTAL CLASS I - NON-INVASIVE OR MINIMALLY INVASIVE PROCEDURES AND SELECT SPECIALTIES

The proposed class 1 under the new plan includes dentists performing non-invasive or minimally invasive procedures and select specialties. The following dentists would be considered class 1:

Specialists:	Endodontist
	Orthodontist (simple extractions up to 25% of procedures)
	Public Health Dentist
	Periodontist (surgical placement of implants up to 25% of procedures)
	Prosthodontist (surgical placement of implants up to 25% of procedures)
	Pediatric Dentist
	Oral Pathologist

General Dentists performing the following procedures:	
	Diagnostic
	Preventative
	Restorative
	Non-surgical TMJ treatments – mouth guards and splints
	Cosmetic whitening, veneers
	Restorative Implants up to 15% of practice (based on number of procedures)
	Endodontia – up to 25% of practice (based on number of procedures)
	Prosthodontia – up to 25% of practice (based on number of procedures)
	Periodontia – up to 25% of practice (based on number of procedures)
	Oral surgery *(up to 25% of total practice (based on number or procedures); simple extractions only, no full or partial bony impactions)*

This classification applies to all DDS's or DMD's who are Board Eligible or Certified Specialists in the above areas; or are General Practitioners and who use local, nitrous oxide or oral conscious sedation. This classification also applies to all dentists who provide services to patients who have been administered deep sedation or general anesthesia in their office, or in a hospital, or surgi-center by an MD / nurse anesthetist, dentist anesthetist, or oral surgeon not in their employ.

These dentists are currently classified as class 1 in our current class plan. They are currently at a relativity of 1.00 and we propose to keep them at a relativity of 1.00 under the proposed class plan.

DENTAL PROCEDURES LEVEL II & SPECIALIZED AREAS OF PRACTICE/PROCEDURES:

Our proposed class 2 under the new rating plan will include the following group of dentists:

General Practitioner:	With 25% or greater percentage of practice (in any one category) in the specialty areas of Prosthodontics and/or Endodontics, surgical Periodontal procedures, Orthodontics or oral surgery *(simple extractions only, no extractions of full or partial bony impacted teeth).*

For classification purposes all insureds that treat 25% or more of their patients in the above specialized areas of practice will be rated under this classification.

These dentists are currently classified as class 1 in our current class plan. They are currently at a relativity of 1.00 and we propose to increase their relativity to 1.25. Therefore, dentists in this group would receive a 25% increase based on the proposed class plan.

DENTAL PROCEDURES LEVEL III & SPECIALIZED AREAS OF PRACTICE/PROCEDURES:

Our proposed class 3 under the new rating plan will include the following group of dentists:

Specialist and General Dentist:	Extractions of full or partial bony impacted teeth
Procedures by a General Dentist:	Implant restorations that exceed 15% of the total practice

This classification applies to all DDS's or DMD's whose practice specializes in providing implants. For classification purposes all insureds that treat 15% or more of their patients for implants will be rated under this classification.

These dentists are currently classified as class 1 in our current class plan. They are currently at a relativity of 1.00 and we propose to increase their relativity to 1.50. Therefore, dentists in this group would receive a 50.0% increase based on the proposed class plan.

CLASS 4: ANESTHESIA CLASS

Our proposed class 4 under the new rating plan will include the dentists performing the following specialties:

Anesthesia	I.V. Conscious Sedation
	I.M. Conscious Sedation
	Sub-cutaneous conscious sedation

This classification contemplated the insured dentist administering the sedation and performing the dental procedure.

These dentists are currently classified as class 2 in our current class plan. They are currently at a relativity of 2.00 and we propose to keep them at a relativity of 2.00 under the proposed class plan.

CLASS 5: ORAL & MAXILLOFACIAL SURGEONS AND DENTIST ANESTHESIOLOGISTS

Our proposed class 5 under the new rating plan will include the dentists performing the following specialties:

Anesthesia	In-Office Includes General Anesthesia

This classification applies to all Oral Surgeons and Dental Anesthesiologists. This classification would also apply to any DDS or DMD who administer and treat patients under I.V. or I.M. conscious sedation or deep sedation or general anesthesia in their office.

These dentists are currently classified as class 3 or 4 in our current class plan. They are currently at a relativity of 6.00 or 7.00 and we propose to increase them to a relativity of 8.00 under the

proposed class plan. Therefore, dentists in this group would receive a 33.3% or 14.3% increase respectively based on the proposed class plan.

The following table reviews the changes based on the revised class plan.

Proposed Class	Proposed Relativity	Current Relativity	Change
Class 1	1.00	1.00	0.0%
Class 2	1.25	1.00	25.0%
Class 3	1.50	1.00	50.0%
Class 4	2.00	2.00	0.0%
Class 5 (currently Class 3)	8.00	6.00	33.3%
Class 5 (currently Class 4)	8.00	7.00	14.3%

Support for these changes is shown in Exhibit 2, Sheet 3. Because the losses are not currently being tracked by their proposed classes, we examined the claims data from 2001 through 2005 and identified the causes of loss that would appear in each of our proposed classes. We then used the total incurred loss and ALAE for the claims that we were able to classify under the new class plan. For the premium, we began tracking data concerning the percentage of each dentist's business devoted to each specialty area in May 2006. Therefore, we looked at the current snapshot of our business with policies effective from May 2006 through September 2006 and grouped earned premium by the proposed classes under the new class plan. We then applied the percentages from the current snapshot of Dental business to the 2001 through 2005 earned premium to estimate the earned premium for each of the proposed classes.

The indicated relativities from this analysis are in column 9 of Exhibit 2, Sheet 3. Please note that a number of Underwriting actions have been taken for the proposed class 3 individuals, which include dentists performing partially impacted or bony impacted extractions and implant restorations. In the past, the underwriting process did not address risk attributes and qualifications for dentist's performing partially impacted or bony impacted extractions. Failure to adequately address and underwrite these exposures had a dramatic impact on the losses resulting from these types of procedures. Going forward, the underwriter will need to determine that the dentist has achieved proper education (over a five year period, the general dentist should have a minimum of 20 hours training) before they accept these risks. In addition to a focus in training and expertise, technique will be be equally as important in the evaluation process. As an example, consistent usage of x-rays and/or CT scans in the preplanning process will ensure that the treating dentist is well aware of the placement and location of a lingual nerve, which is among the most common injury types of this type of procedure. Ensuring that the dentist knows when to call in the help of an expert (i.e. oral surgeon) will dramatically reduce complications that arise in extreme force to perform the extraction, therefore adequate referral procedures will also be assessed. For dentists performing implant restorations, the underwriting process will require evaluation and acceptance of informed consent forms to ensure that the patient is advised of the risk and complications that can arise from the implant. Also, continuing education geared specifically towards implantology will be vital in the selection process. Training programs must include hands on training. Generally, training programs given by manufacturers will not be considered adequate to meet this requirement. A team approach is often used for implant procedures and as such, a dentist referring a patient for surgical placement to an oral surgeon or

periodontist must have a protocol in place to follow the patient's care until such time that the patient returns for the implant restoration. Due to these significant Underwriting changes to reduce risk, we have proposed a lower relativity for this class under our revised class plan.

The overall rate effect of the changes under this revised class plan is an increase of 14.4% for the Occurrence and Claims-Made businesses. This was estimated based on the premium from the current snapshot of Dental business that we previously described. Our indicated rate changes from our analysis are +23.6% and +77.2% respectively for Occurrence and Claims-Made.

Our overall indication is developed on the attached exhibits. The exhibits provide the detailed backup for the various factors used to develop the overall indications. In general, our individual state experience lacks sufficient credibility to develop indications at the state level so our analysis is predicated on countrywide data. These changes are also outlined in the accompanying rate and rule filing memorandum.

Exhibit 1, Sheet 1
The American Insurance Company
Dental Occurrence Professional Liability
Development of Rate Indication

(1)	Countrywide Experience Loss & ALAE Ratio	66.4%
(2)	Number of Projected Ultimate Claims	551
(3)	Credibility of Countrywide Experience	89.8%
(4)	Complement of Credibility	10.2%
(5)	Permissible Loss & ALAE Ratio	53.0%
(6)	Trended Permissible Loss & ALAE Ratio	57.5%
(7)	Credibility Weighted Loss & ALAE Ratio	65.5%
(8)	Credibility Weighted Rate Indication	23.6%
(9)	**Selected Rate Change (From Proposed Class Plan):**	**14.4%**

Notes:

(1) From Exhibit 2 Sheet 1, Row 15
(2) Total from Column (7) of Exhibit 2 Sheet 1.
(3) Minimum of 1.00 or { (2) / 683 } ^ 0.5.
(4) = 1 - (3)
(5) From Exhibit 6, Row 11
(6) = (5) x (1 + trend from Exhibit 5)
(7) = { (1) x (3) } + { (4) x (6) }
(8) = [(7) / (5)] - 1

Exhibit 1, Sheet 2
The American Insurance Company
Dental Claims-Made Professional Liability
Development of Rate Indication

(1)	Countrywide Experience Loss & ALAE Ratio	93.8%
(2)	Number of Projected Ultimate Claims	5,110
(3)	Credibility of Countrywide Experience	100.0%
(4)	Complement of Credibility	0.0%
(5)	Permissible Loss & ALAE Ratio	53.0%
(6)	Trended Permissible Loss & ALAE Ratio	57.5%
(7)	Credibility Weighted Loss & ALAE Ratio	93.8%
(8)	Credibility Weighted Rate Indication	77.2%
(9)	**Selected Rate Change (From Proposed Class Plan):**	**14.4%**

Notes:

(1) From Exhibit 2 Sheet 2, Row 15
(2) Total from Column (7) of Exhibit 2 Sheet 2.
(3) Minimum of 1.00 or { (2) / 683 } ^ 0.5.
(4) = 1 - (3)
(5) From Exhibit 6, Row 11
(6) = (5) x (1 + trend from Exhibit 5)
(7) = { (1) x (3) } + { (4) x (6) }
(8) = [(7) / (5)] - 1

Exhibit 2, Sheet 1
The American Insurance Company
Dental Occurrence Professional Liability

Ratemaking Calculations - Countrywide

Accident Year	(1) Earned Premium	(2) On-Level Factors	(3) On-Level Earned Premium	(4) Paid Loss and ALAE	(5) Case Reserves	(6) Reported Loss and ALAE	(7) Ultimate Claim Counts
2001	2,267,819	1.496	3,392,486	1,373,350	95,101	1,468,451	58
2002	3,567,746	1.423	5,078,465	726,637	224,603	951,240	109
2003	4,877,123	1.259	6,138,052	1,458,321	365,204	1,823,525	129
2004	5,722,073	1.140	6,523,078	674,400	642,953	1,317,353	108
2005	6,246,251	1.096	6,848,604	440,159	888,494	1,328,653	147
Total	22,681,012		27,980,685	4,672,867	2,216,355	6,889,222	551

Accident Year	(8) Projected Ultimate Losses Paid Link Ratio	(9) Projected Ultimate Losses Reported Link Ratio	(10) Rptd Bornhuetter-Ferguson	(11) Selected Ultimate Losses	(12) Trend Factors	(13) Trended Selected Ultimate Losses	(14) Ultimate Loss Ratio
2001	1,643,436	1,563,900		1,603,668	1.792	2,873,675	84.7%
2002	998,036	1,122,914		1,060,475	1.650	1,749,281	34.4%
2003	2,592,882	2,668,204		2,630,543	1.518	3,994,302	65.1%
2004	1,992,015	2,716,335	3,127,080	3,127,080	1.397	4,369,907	67.0%
2005	4,677,217	6,168,177	4,338,166	4,338,166	1.286	5,580,531	81.5%
Total	11,903,585	14,239,530	7,465,246	12,759,932		18,567,696	66.4%

(15) Experience Loss and ALAE Ratio 66.4%

Notes

(1) Data as of 12/31/2006.
(2) Based on historical rate changes; see Exhibit 3 Sheet 1.
(3) = (1) x (2)
(4)-(7) Data as of 12/31/2006.
(8)-(9) Based on loss development factors in Exhibit 4.
(10) A priori loss ratio equals average of AYs 2001-2003.
(11) Selected judgmentally based on (8) - (10).
(12) Data as of 12/31/2006.
(13) = (11) x (12)
(14) = (13) / (3)

Exhibit 2, Sheet 2
The American Insurance Company
Dental Claims-Made Professional Liability

Ratemaking Calculations - Countrywide

Report Year	(1) Earned Premium	(2) On-Level Factors	(3) On-Level Earned Premium	(4) Paid Loss and ALAE	(5) Case Reserves	(6) Reported Loss and ALAE	(7) Ultimate Claim Counts
2001	13,455,321	1.633	21,969,972	12,416,721	-	12,416,721	720
2002	22,498,626	1.554	34,955,891	20,058,642	765,525	20,824,167	1,048
2003	32,438,796	1.374	44,561,256	27,578,816	3,754,294	31,333,110	1,256
2004	36,077,973	1.244	44,891,813	13,498,514	3,543,092	17,041,606	960
2005	37,943,512	1.197	45,409,424	10,369,409	8,867,735	19,237,144	1,126
Total	142,414,228		191,788,355	83,922,102	16,930,646	100,852,747	5,110

Report Year	(8) Projected Ultimate Losses Paid Link Ratio	(9) Projected Ultimate Losses Reported Link Ratio	(10) Projected Ultimate Losses Rptd Bornhuetter-Ferguson	(11) Selected Ultimate Losses	(12) Trend Factors	(13) Trended Selected Ultimate Losses	(14) Ultimate Loss Ratio
2001	12,666,519	12,570,648		12,416,721	1.792	22,250,002	101.3%
2002	21,041,923	21,081,590		21,061,757	1.650	34,741,927	99.4%
2003	31,824,292	33,986,244		32,905,268	1.518	49,964,431	112.1%
2004	19,448,360	21,456,018	24,780,776	21,895,051	1.397	30,597,021	68.2%
2005	27,732,614	34,470,372	36,719,985	32,974,324	1.286	42,417,520	93.4%
Total	112,713,709	123,564,872	61,500,761	121,253,121		179,970,900	93.8%

(15) Experience Loss and ALAE Ratio 93.8%

Notes

(1) Data as of 12/31/2006.
(2) Based on historical rate changes; see Exhibit 3 Sheet 2.
(3) = (1) x (2)
(4)-(7) Data as of 12/31/2006.
(8)-(9) Based on loss development factors in Exhibit 4.
(10) A priori loss ratio equals average of AYs 2001-2003.
(11) Selected judgmentally based on (8) - (10).
(12) Data as of 12/31/2006.
(13) = (11) x (12)
(14) = (13) / (3)

Exhibit 2, Sheet 3
The American Insurance Company
Dental Professional Liability

Rate Classification Relativities

Countrywide Data

(1) Class Under Proposed Class Plan	(2a) 2001	(2b) 2002	(2c) 2003	(2d) 2004	(2e) 2005	(2f) Total	(3a) 2001	(3b) 2002	(3c) 2003	(3d) 2004	(3e) 2005	(3f) Total	(4) Actual Loss Ratio
	Incurred Loss & ALAE						Earned Premium						
Class 1	611,178	1,016,327	380,038	377,567	179,694	2,564,804	6,930,644	11,489,864	16,448,580	18,425,150	19,478,520	72,772,757	3.5%
Class 2	7,103,036	7,991,501	7,423,698	4,294,865	2,736,052	29,549,152	8,014,644	13,286,958	19,021,252	21,306,971	22,525,095	84,154,919	35.1%
Class 3	1,385,063	1,797,765	1,778,909	3,245,292	898,961	9,105,991	264,617	438,692	628,019	703,486	743,704	2,778,518	327.7%
Class 4	10,952	212,473	304,368	194,014	54,237	776,044	111,566	184,958	264,780	296,598	313,555	1,171,457	66.2%
Class 5*	293,549	492,386	320,463	292,851	1,450,638	2,849,888	401,670	665,902	953,287	1,067,840	1,128,889	4,217,588	67.6%
Total	9,403,778	11,510,453	10,207,477	8,404,590	5,319,582	44,845,879	15,723,141	26,066,373	37,315,919	41,800,045	44,189,762	165,095,240	27.2%

(5) Class Under Proposed Class Plan	(6) Indicated Change in Relativity	(7) Current Relativity	(8) Indicated Relativity	(9) Indicated Relativity with Class 1 as Base	(10) Proposed Relativity	(11) Class Plan Rate Effect
Class 1	0.13	1.00	0.13	1.00	1.00	0.0%
Class 2	1.29	1.00	1.29	9.96	1.25	25.0%
Class 3	12.06	1.00	12.06	92.99	1.50	50.0%
Class 4	2.44	2.00	4.88	37.59	2.00	0.0%
Class 5*	2.49	6.00	14.93	115.03	8.00	33.3%
Class 5*	2.49	7.00	17.41	134.21	8.00	14.3%
					Total Class Plan Effect	14.4%

Notes:

(1) Class under proposed class plan.
(2) a-f Actual accident year losses as of 12/31/2006. Includes losses that can be classified into one of the new proposed classes.
(3) a-f Actual earned premium.
(4) = (2f) / (3f).
(5) Class under proposed class plan.
(6) Actual loss ratio for accident year divided by total loss ratio in column (4).
(7) Class relativity under current class structure.
(8) = (6) * (7)
(9) Indicated relativity for class divided by class 1 indicated relativity in column (8).
(10) Proposed class relativity under new class structure.
(11) = (10) / (7) - 1

* Please note that proposed Class 5 includes: Class 3 individuals from current class structure going from a relativity of 6 to 8 and Class 4 individuals from current class structure going from a relativity of 7 to 8.

Exhibit 2, Sheet 4
The Fireman's Fund Insurance Companies
Dental Professional Liability

Rate Distribution

Illinois

Segment	(1) 2006 Illinois Written Premium*	(2) Number of Policies**	(3) Average Premium	(4) Selected Rate Change	(5) Approximate Number of Policies Affected	(6) Premium After Rate Change
Proposed Class Under New Class Plan:						
Class 1	$894,198	1,461	$612	0.0%	1,461	$894,198
Class 2	$1,034,057	1,670	$619	25.0%	1,670	$1,292,571
Class 3	$34,141	62	$555	50.0%	62	$51,212
Class 4	$14,394	15	$962	0.0%	15	$14,394
Class 5 (current Class 3)	$50,483	18	$2,759	33.3%	18	$67,311
Class 5 (current Class 4)	$1,341	0	$0	14.3%	0	$1,532
Total	$2,028,614	3,226	$629		3,226	$2,321,217

(7) = Sum of (1) = Total Earned Premium Before Rate Change	2,028,614
(8) = Sum of (6) = Total Earned Premium After Rate Change	2,321,217
(9) Overall Rate Change = (8)/(7)-1.000	14.4%

*Written premium for each class estimated by countrywide proportions from 05/06 through 09/06.
**Policy count for each class estimated by countrywide proportions from 05/06 through 09/06.

Exhibit 4, Sheet 2
The American Insurance Company
Dental Professional Liability
Claims-Made & Occurrence data on an Accident Year basis

Incurred Loss Development Factors by Accident Year
Countrywide

Incurred Losses and ALAE

Accident Year	Evaluation Age in Months											
	12	24	36	48	60	72	84	96	108	120	132	144
1995	438,949	1,600,477	2,295,761	4,392,382	4,379,698	4,350,257	4,355,777	4,383,356	4,430,246	4,466,010	4,459,992	4,459,992
1996	580,487	1,429,961	2,938,272	3,538,605	4,106,823	4,363,816	4,408,896	4,594,419	4,749,025	4,741,327	4,741,327	-
1997	183,756	1,289,584	2,502,362	2,877,439	3,680,258	3,985,842	4,388,413	4,731,145	4,855,282	4,986,957	-	-
1998	659,741	1,920,490	3,394,461	4,168,000	4,377,306	5,052,935	5,407,233	5,635,492	5,732,848	-	-	-
1999	904,737	3,420,614	5,932,721	6,192,784	8,872,962	10,000,671	10,751,281	10,849,150	-	-	-	-
2000	904,737	2,206,366	3,063,884	5,825,302	9,874,336	11,701,306	13,324,625	-	-	-	-	-
2001	1,265,964	1,641,310	9,660,525	16,542,872	18,935,864	20,652,025	-	-	-	-	-	-
2002	230,460	5,338,594	13,904,112	20,426,464	25,088,608	-	-	-	-	-	-	-
2003	1,108,672	7,982,548	18,095,545	23,120,198	-	-	-	-	-	-	-	-
2004	1,790,239	8,166,568	17,004,225	-	-	-	-	-	-	-	-	-
2005	3,942,862	10,701,661	-	-	-	-	-	-	-	-	-	-
2006	3,794,483	-	-	-	-	-	-	-	-	-	-	-

Age-to-Age Factors

Accident Year	Evaluation Age in Months											
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to 144	144 to Ult.
1995	3.646	1.434	1.913	0.997	0.993	1.001	1.006	1.011	1.008	0.999	1.000	
1996	2.463	2.055	1.204	1.161	1.063	1.010	1.042	1.034	0.998	1.000		
1997	7.018	1.940	1.150	1.279	1.083	1.101	1.078	1.026	1.027			
1998	2.911	1.767	1.228	1.050	1.154	1.070	1.042	1.017				
1999	3.781	1.734	1.044	1.433	1.127	1.075	1.009					
2000	2.439	1.389	1.901	1.695	1.185	1.139						
2001	1.296	5.886	1.712	1.145	1.091							
2002	23.165	2.604	1.469	1.228								
2003	7.200	2.267	1.278									
2004	4.562	2.082										
2005	2.714											

Average Development

Average Type	Evaluation Age in Months											
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to 144	144 to Ult.
All Years	5.563	2.316	1.433	1.248	1.099	1.066	1.036	1.022	1.011	0.999	1.000	
Latest 3	9.410	2.318	1.486	1.356	1.134	1.095	1.043	1.026	1.011	0.999	1.000	
Ex. Hi-Lo	4.082	1.986	1.420	1.216	1.104	1.064	1.031	1.022	1.008			
Wtd. Avg.	3.805	2.251	1.409	1.240	1.108	1.081	1.030	1.022	1.011	0.999	1.000	
Wtd. Last 3	3.925	2.281	1.442	1.259	1.124	1.102	1.033	1.025	1.011	0.999	1.000	
Selected Loss Development Factors												
Age-to-Age	3.805	2.251	1.409	1.240	1.108	1.000	1.030	1.022	1.011	1.000	1.000	1.000
Age-to-Ult	**17.662**	**4.642**	**2.062**	**1.463**	**1.180**	**1.065**	**1.065**	**1.033**	**1.011**	**1.000**	**1.000**	**1.000**

Exhibit 2, Sheet 5
The American Insurance Company
Dental Occurrence Professional Liability

Ratemaking Calculations - Illinois

Accident Year	(1) Earned Premium	(2) On-Level Factors	(3) On-Level Earned Premium	(4) Paid Loss and ALAE	(5) Case Reserves	(6) Reported Loss and ALAE	(7) Ultimate Claim Counts
2001	137,849	1.496	206,212	-	-	-	-
2002	165,690	1.423	235,849	62,073	-	62,073	6
2003	196,931	1.259	247,845	89,580	1	89,581	6
2004	207,793	1.140	236,881	-	-	-	1
2005	243,131	1.096	266,577	10,608	66,100	76,708	11
Total	951,394		1,193,364	162,261	66,101	228,362	24

Accident Year	(8) Projected Ultimate Losses Paid Link Ratio	(9) Projected Ultimate Losses Reported Link Ratio	(10) Rptd Bornhuetter-Ferguson	(11) Selected Ultimate Losses	(12) Trend Factors	(13) Trended Selected Ultimate Losses	(14) Ultimate Loss Ratio
2001	-	-	12,804	12,804	1.817	23,269	11.3%
2002	85,257	79,193	87,451	83,967	1.673	140,468	59.6%
2003	159,272	141,739	140,927	147,313	1.540	226,853	91.5%
2004	-	-	81,197	81,197	1.417	115,076	48.6%
2005	112,725	385,126	214,663	214,663	1.305	280,050	105.1%
Total	357,254	606,058	537,043	539,944		785,716	65.8%

(15) Experience Loss and ALAE Ratio 65.8%

Notes

(1) Data as of 12/31/2006.
(2) Based on historical rate changes; see Exhibit 3 Sheet 1.
(3) = (1) x (2)
(4)-(7) Data as of 12/31/2006.
(8)-(9) Based on loss development factors in Exhibit 4.
(10) A priori loss ratio equals countrywide loss ratio, AYs 2001-2005.
(11) Selected judgmentally based on (8) - (10).
(12) Data as of 12/31/2006.
(13) = (11) x (12)
(14) = (13) / (3)

Exhibit 2, Sheet 6
The American Insurance Company
Dental Claims-Made Professional Liability

Ratemaking Calculations - Illinois

Report Year	(1) Earned Premium	(2) On-Level Factors	(3) On-Level Earned Premium	(4) Paid Loss and ALAE	(5) Case Reserves	(6) Reported Loss and ALAE	(7) Ultimate Claim Counts
2001	905,667	1.633	**1,478,782**	683,161	-	683,161	33
2002	1,054,711	1.554	**1,638,694**	492,121	10,000	502,121	43
2003	1,290,097	1.374	**1,772,210**	1,465,163	90,002	1,555,165	54
2004	1,482,194	1.244	**1,844,294**	619,551	45,901	665,452	43
2005	1,561,116	1.197	**1,868,287**	254,287	247,601	501,888	30
Total	**6,293,785**		**8,602,266**	**3,514,283**	**393,504**	**3,907,787**	203

Report Year	(8) Projected Ultimate Losses Paid Link Ratio	(9) Projected Ultimate Losses Reported Link Ratio	(10) Projected Ultimate Losses Rptd Bornhuetter-Ferguson	(11) Selected Ultimate Losses	(12) Trend Factors	(13) Trended Selected Ultimate Losses	(14) Ultimate Loss Ratio
2001	696,904	691,630	693,724	683,161	1.817	**1,241,523**	84.0%
2002	516,245	508,328	514,388	512,987	1.673	**858,172**	52.4%
2003	1,690,710	1,686,849	1,651,094	1,676,218	1.540	**2,581,278**	145.7%
2004	892,635	837,828	955,919	895,461	1.417	**1,269,079**	68.8%
2005	680,083	899,316	1,159,015	912,805	1.305	**1,190,848**	63.7%
Total	**4,476,576**	**4,623,951**	**4,974,139**	**4,680,630**		**7,140,900**	83.0%

(15) Experience Loss and ALAE Ratio 83.0%

Notes

(1) Data as of 12/31/2006.
(2) Based on historical rate changes; see Exhibit 3 Sheet 2.
(3) = (1) x (2)
(4)-(7) Data as of 12/31/2006.
(8)-(9) Based on loss development factors in Exhibit 4.
(10) A priori loss ratio equals countrywide loss ratio, AYs 2001-2005.
(11) Selected judgmentally based on (8) - (10).
(12) Data as of 12/31/2006.
(13) = (11) x (12)
(14) = (13) / (3)

Exhibit 1, Sheet 1
The American Insurance Company
Dental Occurrence Professional Liability
Development of Rate Indication

(1) Countrywide Experience Loss & ALAE Ratio	70.9%
(2) Number of Projected Ultimate Claims	551
(3) Credibility of Countrywide Experience	89.8%
(4) Complement of Credibility	10.2%
(5) Permissible Loss & ALAE Ratio	53.0%
(6) Trended Permissible Loss & ALAE Ratio	57.5%
(7) Credibility Weighted Loss & ALAE Ratio	69.5%
(8) Credibility Weighted Rate Indication	31.2%
(9) **Selected Rate Change (From Proposed Class Plan):**	**14.4%**

Notes:

(1) From Exhibit 2 Sheet 1, Row 15
(2) Total from Column (7) of Exhibit 2 Sheet 1.
(3) Minimum of 1.00 or { (2) / 683 } ^ 0.5.
(4) = 1 - (3)
(5) From Exhibit 6, Row 11
(6) = (5) x (1 + trend from Exhibit 5)
(7) = { (1) x (3) } + { (4) x (6) }
(8) = [(7) / (5)] - 1

Exhibit 1, Sheet 2
The American Insurance Company
Dental Claims-Made Professional Liability
Development of Rate Indication

(1) Countrywide Experience Loss & ALAE Ratio	95.3%
(2) Number of Projected Ultimate Claims	5,110
(3) Credibility of Countrywide Experience	100.0%
(4) Complement of Credibility	0.0%
(5) Permissible Loss & ALAE Ratio	53.0%
(6) Trended Permissible Loss & ALAE Ratio	57.5%
(7) Credibility Weighted Loss & ALAE Ratio	95.3%
(8) Credibility Weighted Rate Indication	79.9%
(9) **Selected Rate Change (From Proposed Class Plan):**	**14.4%**

Notes:

(1) From Exhibit 2 Sheet 2, Row 15
(2) Total from Column (7) of Exhibit 2 Sheet 2.
(3) Minimum of 1.00 or { (2) / 683 } ^ 0.5.
(4) = 1 - (3)
(5) From Exhibit 6, Row 11
(6) = (5) x (1 + trend from Exhibit 5)
(7) = { (1) x (3) } + { (4) x (6) }
(8) = [(7) / (5)] - 1

Exhibit 2, Sheet 1
The American Insurance Company
Dental Occurrence Professional Liability

Ratemaking Calculations - Countrywide

Accident Year	(1) Earned Premium	(2) On-Level Factors	(3) On-Level Earned Premium	(4) Paid Loss and ALAE	(5) Case Reserves	(6) Reported Loss and ALAE	(7) Ultimate Claim Counts
2001	2,267,819	1.496	3,392,486	1,373,350	95,101	1,468,451	58
2002	3,567,746	1.423	5,078,465	726,637	224,603	951,240	109
2003	4,877,123	1.259	6,138,052	1,458,321	365,204	1,823,525	129
2004	5,722,073	1.140	6,523,078	674,400	642,953	1,317,353	108
2005	6,246,251	1.096	6,848,604	440,159	888,494	1,328,653	147
Total	22,681,012		27,980,685	4,672,867	2,216,355	6,889,222	551

Accident Year	(8) Projected Ultimate Losses Paid Link Ratio	(9) Projected Ultimate Losses Reported Link Ratio	(10) Projected Ultimate Losses Rptd Bornhuetter-Ferguson	(11) Selected Ultimate Losses	(12) Trend Factors	(13) Trended Selected Ultimate Losses	(14) Ultimate Loss Ratio
2001	1,643,436	1,690,004		1,666,720	1.817	3,028,967	89.3%
2002	998,036	1,213,590		1,105,813	1.673	1,849,907	36.4%
2003	2,592,882	2,885,279		2,739,080	1.540	4,218,025	68.7%
2004	1,992,015	2,937,281	3,362,603	3,362,603	1.417	4,765,602	73.1%
2005	4,677,217	6,670,725	4,570,548	4,570,548	1.305	5,962,750	87.1%
Total	11,903,585	15,396,879	7,933,152	13,444,764		19,825,251	70.9%

(15) Experience Loss and ALAE Ratio 70.9%

Notes

(1) Data as of 12/31/2006.
(2) Based on historical rate changes; see Exhibit 3 Sheet 1.
(3) = (1) x (2)
(4)-(7) Data as of 12/31/2006.
(8)-(9) Based on loss development factors in Exhibit 4.
(10) A priori loss ratio equals average of AYs 2001-2003.
(11) Selected judgmentally based on (8) - (10).
(12) Data as of 12/31/2006.
(13) = (11) x (12)
(14) = (13) / (3)

Exhibit 2, Sheet 2
The American Insurance Company
Dental Claims-Made Professional Liability

Ratemaking Calculations - Countrywide

Report Year	(1) Earned Premium	(2) On-Level Factors	(3) On-Level Earned Premium	(4) Paid Loss and ALAE	(5) Case Reserves	(6) Reported Loss and ALAE	(7) Ultimate Claim Counts
2001	13,455,321	1.633	**21,969,972**	12,416,721	-	12,416,721	720
2002	22,498,626	1.554	**34,955,891**	20,058,642	765,525	20,824,167	1,048
2003	32,438,796	1.374	**44,561,256**	27,578,816	3,754,294	31,333,110	1,256
2004	36,077,973	1.244	**44,891,813**	13,498,514	3,543,092	17,041,606	960
2005	37,943,512	1.197	**45,409,424**	10,369,409	8,867,735	19,237,144	1,126
Total	**142,414,228**		191,788,355	**83,922,102**	**16,930,646**	**100,852,747**	5,110

Report Year	(8) Projected Ultimate Losses: Paid Link Ratio	(9) Projected Ultimate Losses: Reported Link Ratio	(10) Projected Ultimate Losses: Rptd Bornhuetter-Ferguson	(11) Selected Ultimate Losses	(12) Trend Factors	(13) Trended Selected Ultimate Losses	(14) Ultimate Loss Ratio
2001	12,666,519	12,570,648		12,416,721	1.817	**22,565,189**	102.7%
2002	21,041,923	21,081,590		21,061,757	1.673	**35,234,071**	100.8%
2003	31,824,292	33,986,244		32,905,268	1.540	**50,672,212**	113.7%
2004	19,448,360	21,456,018	24,890,406	21,931,595	1.417	**31,082,240**	69.2%
2005	27,732,614	34,470,372	36,967,642	33,056,876	1.305	**43,126,092**	95.0%
Total	**112,713,709**	**123,564,872**	**61,858,049**	**121,372,217**		**182,679,804**	95.3%

(15) Experience Loss and ALAE Ratio 95.3%

Notes

(1) Data as of 12/31/2006.
(2) Based on historical rate changes; see Exhibit 3 Sheet 2.
(3) = (1) x (2)
(4)-(7) Data as of 12/31/2006.
(8)-(9) Based on loss development factors in Exhibit 4.
(10) A priori loss ratio equals average of AYs 2001-2003.
(11) Selected judgmentally based on (8) - (10).
(12) Data as of 12/31/2006.
(13) = (11) x (12)
(14) = (13) / (3)

Exhibit 2, Sheet 3
The American Insurance Company
Dental Professional Liability

Rate Classification Relativities

Countrywide Data

(1) Class Under Proposed Class Plan	(2a) 2001	(2b) 2002	(2c) 2003	(2d) 2004	(2e) 2005	(2f) Total	(3a) 2001	(3b) 2002	(3c) 2003	(3d) 2004	(3e) 2005	(3f) Total	(4) Actual Loss Ratio
	Incurred Loss & ALAE						Earned Premium						
Class 1	611,178	1,016,327	380,038	377,567	179,694	2,564,804	6,930,644	11,489,864	16,448,580	18,425,150	19,478,520	72,772,757	3.5%
Class 2	7,103,036	7,991,501	7,423,698	4,294,865	2,736,052	29,549,152	8,014,644	13,286,958	19,021,252	21,306,971	22,525,095	84,154,919	35.1%
Class 3	1,385,063	1,797,765	1,778,909	3,245,292	898,961	9,105,991	264,617	438,692	628,019	703,486	743,704	2,778,518	327.7%
Class 4	10,952	212,473	304,368	194,014	54,237	776,044	111,566	184,958	264,780	296,598	313,555	1,171,457	66.2%
Class 5*	293,549	492,386	320,463	292,851	1,450,638	2,849,888	401,670	665,902	953,287	1,067,840	1,128,889	4,217,588	67.6%
Total	9,403,778	11,510,453	10,207,477	8,404,590	5,319,582	44,845,879	15,723,141	26,066,373	37,315,919	41,800,045	44,189,762	165,095,240	27.2%

(5) Class Under Proposed Class Plan	(6) Indicated Change in Relativity	(7) Current Relativity	(8) Indicated Relativity	(9) Indicated Relativity with Class 1 as Base	(10) Proposed Relativity	(11) Class Plan Rate Effect
Class 1	0.13	1.00	0.13	1.00	1.00	0.0%
Class 2	1.29	1.00	1.29	9.96	1.25	25.0%
Class 3	12.06	1.00	12.06	92.99	1.50	50.0%
Class 4	2.44	2.00	4.88	37.59	2.00	0.0%
Class 5*	2.49	6.00	14.93	115.03	8.00	33.3%
Class 5*	2.49	7.00	17.41	134.21	8.00	14.3%
					Total Class Plan Effect	14.4%

Notes:
(1) Class under proposed class plan.
(2) a-f Actual accident year losses as of 12/31/2006. Includes losses that can be classified into one of the new proposed classes.
(3) a-f Actual earned premium.
(4) = (2f) / (3f).
(5) Class under proposed class plan.
(6) Actual loss ratio for accident year divided by total loss ratio in column (4).
(7) Class relativity under current class structure.
(8) = (6) * (7)
(9) Indicated relativity for class divided by class 1 indicated relativity in column (8).
(10) Proposed class relativity under new class structure.
(11) = (10) / (7) - 1

* Please note that proposed Class 5 includes: Class 3 individuals from current class structure going from a relativity of 6 to 8 and Class 4 individuals from current class structure going from a relativity of 7 to 8.

Exhibit 2, Sheet 4
The Fireman's Fund Insurance Companies
Dental Professional Liability

Rate Distribution

Illinois

Segment	(1) 2006 Illinois Written Premium*	(2) Number of Policies**	(3) Average Premium	(4) Selected Rate Change	(5) Approximate Number of Policies Affected	(6) Premium After Rate Change
Proposed Class Under New Class Plan:						
Class 1	$894,198	1,461	$612	0.0%	1,461	$894,198
Class 2	$1,034,057	1,670	$619	25.0%	1,670	$1,292,571
Class 3	$34,141	62	$555	50.0%	62	$51,212
Class 4	$14,394	15	$962	0.0%	15	$14,394
Class 5 (current Class 3)	$50,483	18	$2,759	33.3%	18	$67,311
Class 5 (current Class 4)	$1,341	0	$0	14.3%	0	$1,532
Total	$2,028,614	3,226	$629		3,226	$2,321,217

(7) = Sum of (1) = Total Earned Premium Before Rate Change	2,028,614
(8) = Sum of (6) = Total Earned Premium After Rate Change	2,321,217
(9) Overall Rate Change = (8)/(7)-1.000	14.4%

*Written premium for each class estimated by countrywide proportions from 05/06 through 09/06.
**Policy count for each class estimated by countrywide proportions from 05/06 through 09/06.

Exhibit 3, Sheet 1
The American Insurance Company
Dental Occurrence Professional Liability

Accident Year	Average Rate Level	Current Rate Level	Factor to Current Rate Level
1997	1.0000	1.4061	1.4061
1998	1.0000	1.4061	1.4061
1999	0.5584	1.4061	2.5181
2000	0.9417	1.4061	1.4931
2001	0.9399	1.4061	1.4959
2002	0.9878	1.4061	1.4234
2003	1.1172	1.4061	1.2585
2004	1.2334	1.4061	1.1400
2005	1.2824	1.4061	1.0964

Date	Rate Change	Overall Effective Rate Level	Rate Change	1997	1998	1999	2000	2001	2002	2003	2004	2005
		1.0000	1.0000	1.0000	1.0000	0.2813						
4/1/1999	-1.3%	0.9870	0.9870			0.1112	0.0556					
6/1/1999	-0.3%	0.9970	0.9840			0.1701	0.4132					
1/1/2000	-2.3%	0.9770	0.9614				0.4782	0.3134				
10/15/2000	-1.5%	0.9850	0.9470				0.0182	0.1067				
12/1/2000	-1.7%	0.9830	0.9309				0.0035	0.2327	0.0139			
3/1/2001	-0.5%	0.9950	0.9262					0.1250	0.0417			
5/1/2001	-0.3%	0.9970	0.9235					0.2222	0.5972	0.0139		
3/1/2002	20.0%	1.2000	1.1081						0.3472	0.9105	0.1867	
8/10/2003	13.9%	1.1390	1.2622							0.0756	0.8133	0.7188
4/1/2005	4.0%	1.0400	1.3127									0.1111
6/1/2005	2.7%	1.0270	1.3481									0.1701
9/1/2006	4.3%	1.0430	1.4061									
			Average Rate Level:	1.0000	1.0000	0.5584	0.9417	0.9399	0.9878	1.1172	1.2334	1.2824

Exhibit 3, Sheet 2
The American Insurance Company
Dental Claims-Made Professional Liability

Accident Year	Average Rate Level	Current Rate Level	Factor to Current Rate Level
1997	1.0000	1.5347	1.5347
1998	1.0000	1.5347	1.5347
1999	0.5584	1.5347	2.7485
2000	0.9417	1.5347	1.6297
2001	0.9399	1.5347	1.6328
2002	0.9878	1.5347	1.5537
2003	1.1172	1.5347	1.3737
2004	1.2334	1.5347	1.2443
2005	1.2824	1.5347	1.1968

Date	Rate Change	Rate Level	Overall Effective Rate Change	1997	1998	1999	2000	2001	2002	2003	2004	2005
		1.0000	1.0000	1.0000	1.0000	0.2813						
4/1/1999	-1.3%	0.9870	0.9870			0.1112	0.0556					
6/1/1999	-0.3%	0.9970	0.9840			0.1701	0.4132					
1/1/2000	-2.3%	0.9770	0.9614				0.4782	0.3134				
10/15/2000	-1.5%	0.9850	0.9470				0.0182	0.1067				
12/1/2000	-1.7%	0.9830	0.9309				0.0035	0.2327	0.0139			
3/1/2001	-0.5%	0.9950	0.9262					0.1250	0.0417			
5/1/2001	-0.3%	0.9970	0.9235					0.2222	0.5972	0.0139		
3/1/2002	20.0%	1.2000	1.1081						0.3472	0.9105	0.1867	
8/10/2003	13.9%	1.1390	1.2622							0.0756	0.8133	0.7188
4/1/2005	4.0%	1.0400	1.3127									0.1111
6/1/2005	2.7%	1.0270	1.3481									0.1701
9/1/2006	7.4%	1.0740	1.4479									
1/15/2007	6.0%	1.0600	1.5347									
			Average Rate Level:	1.0000	1.0000	0.5584	0.9417	0.9399	0.9878	1.1172	1.2334	1.2824

Exhibit 4, Sheet 1
The American Insurance Company
Dental Professional Liability
Claims-Made & Occurrence data on an Accident Year basis

Paid Loss Development Factors by Accident Year
Countrywide

Paid Losses and ALAE

Accident Year	Evaluation Age in Months											
	12	24	36	48	60	72	84	96	108	120	132	144
1995	147,410	487,981	1,402,260	3,488,749	4,193,695	4,327,255	4,340,275	4,376,355	4,397,645	4,428,986	4,458,067	4,458,067
1996	58,514	298,962	2,123,165	2,888,400	3,811,118	4,283,815	4,322,396	4,552,469	4,627,024	4,648,824	4,648,824	-
1997	7,556	454,316	1,804,504	2,579,833	2,967,253	3,950,837	4,264,842	4,508,143	4,762,280	4,906,656	-	-
1998	52,338	717,428	2,570,514	3,759,893	4,362,301	4,788,332	5,232,628	5,412,041	5,607,147	-	-	-
1999	129,246	1,307,098	4,615,597	6,147,778	7,810,829	8,906,995	10,351,085	10,865,273	-	-	-	-
2000	129,246	920,929	2,833,123	4,813,332	8,914,567	10,877,189	12,219,623	-	-	-	-	-
2001	273,998	1,586,313	7,348,603	13,957,052	16,632,742	18,737,859	-	-	-	-	-	-
2002	195,393	2,683,370	9,679,866	16,624,294	21,571,605	-	-	-	-	-	-	-
2003	200,301	3,517,444	11,920,705	19,332,711	-	-	-	-	-	-	-	-
2004	290,159	3,160,370	10,142,768	-	-	-	-	-	-	-	-	-
2005	248,625	3,728,891	-	-	-	-	-	-	-	-	-	-
2006	525,941	-	-	-	-	-	-	-	-	-	-	-

Age-to-Age Factors

Accident Year	Evaluation Age in Months											
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to 144	144 to Ult.
1995	3.310	2.874	2.488	1.202	1.032	1.003	1.008	1.005	1.007	1.007	1.000	
1996	5.109	7.102	1.360	1.319	1.124	1.009	1.053	1.016	1.005	1.000		
1997	60.125	3.972	1.430	1.150	1.331	1.079	1.057	1.056	1.030			
1998	13.707	3.583	1.463	1.160	1.098	1.093	1.034	1.036				
1999	10.113	3.531	1.332	1.271	1.140	1.162	1.050					
2000	7.125	3.076	1.699	1.852	1.220	1.123						
2001	5.790	4.633	1.899	1.192	1.127							
2002	13.733	3.607	1.717	1.298								
2003	17.561	3.389	1.622									
2004	10.892	3.209										
2005	14.998											

Average Development

Average Type	Evaluation Age in Months											
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to 144	144 to Ult.
All Years	14.769	3.898	1.668	1.305	1.153	1.078	1.041	1.028	1.014	1.003	1.000	
Latest 3	14.296	3.402	1.746	1.447	1.162	1.126	1.047	1.036	1.014	1.003	1.000	
Ex. Hi-Lo	11.003	3.625	1.599	1.240	1.142	1.076	1.046	1.026	1.007			
Wtd. Avg.	10.886	3.597	1.661	1.295	1.147	1.097	1.042	1.029	1.014	1.003	1.000	
Wtd. Last 3	14.081	3.391	1.724	1.331	1.155	1.131	1.047	1.036	1.014	1.003	1.000	
Selected Loss Development Factors												
Age-to-Age	10.886	3.597	1.661	1.295	1.147	1.097	1.042	1.029	1.014	1.003	1.000	1.000
Age-to-Ult	**115.675**	**10.626**	**2.954**	**1.778**	**1.373**	**1.197**	**1.091**	**1.047**	**1.018**	**1.003**	**1.000**	**1.000**

Exhibit 4, Sheet 2
The American Insurance Company
Dental Professional Liability
Claims-Made & Occurrence data on an Accident Year basis

Incurred Loss Development Factors by Accident Year
Countrywide

Incurred Losses and ALAE

Accident Year	Evaluation Age in Months											
	12	24	36	48	60	72	84	96	108	120	132	144
1995	438,949	1,600,477	2,295,761	4,392,382	4,379,698	4,350,257	4,355,777	4,383,356	4,430,246	4,466,010	4,459,992	4,459,992
1996	580,487	1,429,961	2,938,272	3,538,605	4,106,823	4,363,816	4,408,896	4,594,419	4,749,025	4,741,327	4,741,327	-
1997	183,756	1,289,584	2,502,362	2,877,439	3,680,258	3,985,842	4,388,413	4,731,145	4,855,282	4,986,957	-	-
1998	659,741	1,920,490	3,394,461	4,168,000	4,377,306	5,052,935	5,407,233	5,635,492	5,732,848	-	-	-
1999	904,737	3,420,614	5,932,721	6,192,784	8,872,962	10,000,671	10,751,281	10,849,150	-	-	-	-
2000	904,737	2,206,366	3,063,884	5,825,302	9,874,336	11,701,306	13,324,625	-	-	-	-	-
2001	1,265,964	1,641,310	9,660,525	16,542,872	18,935,864	20,652,025	-	-	-	-	-	-
2002	230,460	5,338,594	13,904,112	20,426,464	25,088,608	-	-	-	-	-	-	-
2003	1,108,672	7,982,548	18,095,545	23,120,198	-	-	-	-	-	-	-	-
2004	1,790,239	8,166,568	17,004,225	-	-	-	-	-	-	-	-	-
2005	3,942,862	10,701,661	-	-	-	-	-	-	-	-	-	-
2006	3,794,483	-	-	-	-	-	-	-	-	-	-	-

Age-to-Age Factors

Accident Year	Evaluation Age in Months											
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to 144	144 to Ult.
1995	3.646	1.434	1.913	0.997	0.993	1.001	1.006	1.011	1.008	0.999	1.000	
1996	2.463	2.055	1.204	1.161	1.063	1.010	1.042	1.034	0.998	1.000		
1997	7.018	1.940	1.150	1.279	1.083	1.101	1.078	1.026	1.027			
1998	2.911	1.767	1.228	1.050	1.154	1.070	1.042	1.017				
1999	3.781	1.734	1.044	1.433	1.127	1.075	1.009					
2000	2.439	1.389	1.901	1.695	1.185	1.139						
2001	1.296	5.886	1.712	1.145	1.091							
2002	23.165	2.604	1.469	1.228								
2003	7.200	2.267	1.278									
2004	4.562	2.082										
2005	2.714											

Average Development

Average Type	Evaluation Age in Months											
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to 144	144 to Ult.
All Years	5.563	2.316	1.433	1.248	1.099	1.066	1.036	1.022	1.011	0.999	1.000	
Latest 3	9.410	2.318	1.486	1.356	1.134	1.095	1.043	1.026	1.011	0.999	1.000	
Ex. Hi-Lo	4.082	1.986	1.420	1.216	1.104	1.064	1.031	1.022	1.008			
Wtd. Avg.	3.805	2.251	1.409	1.240	1.108	1.081	1.030	1.022	1.011	0.999	1.000	
Wtd. Last 3	3.925	2.281	1.442	1.259	1.124	1.102	1.033	1.025	1.011	0.999	1.000	
Selected Loss Development Factors												
Age-to-Age	**3.805**	**2.251**	**1.409**	**1.240**	**1.108**	**1.081**	**1.030**	**1.022**	**1.011**	**1.000**	**1.000**	**1.000**
Age-to-Ult	**19.104**	**5.021**	**2.230**	**1.582**	**1.276**	**1.151**	**1.065**	**1.033**	**1.011**	**1.000**	**1.000**	**1.000**

Exhibit 4, Sheet 3
The American Insurance Company
Dental Professional Liability
Claims-Made & Occurrence data on an Accident Year basis

Claim Count Development Factors by Accident Year
Countrywide

Reported Claim Counts

Accident Year	Evaluation Age in Months											
	12	24	36	48	60	72	84	96	108	120	132	144
1995	-	242	274	309	323	326	328	331	339	340	341	341
1996	133	236	296	311	326	329	333	341	347	351	351	-
1997	42	171	225	260	284	292	308	316	318	324	-	-
1998	68	230	336	383	399	437	454	463	468	-	-	-
1999	130	365	479	532	612	643	658	671	-	-	-	-
2000	130	427	504	667	718	749	776	-	-	-	-	-
2001	213	461	806	922	963	996	-	-	-	-	-	-
2002	135	766	1,032	1,146	1,184	-	-	-	-	-	-	-
2003	254	806	1,023	1,127	-	-	-	-	-	-	-	-
2004	313	759	990	-	-	-	-	-	-	-	-	-
2005	279	674	-	-	-	-	-	-	-	-	-	-
2006	296	-	-	-	-	-	-	-	-	-	-	-

Age-to-Age Factors

Accident Year	Evaluation Age in Months											
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to 144	144 to Ult.
1995		1.132	1.128	1.045	1.009	1.006	1.009	1.024	1.003	1.003	1.000	
1996	1.774	1.254	1.051	1.048	1.009	1.012	1.024	1.018	1.012	1.000		
1997	4.071	1.316	1.156	1.092	1.028	1.055	1.026	1.006	1.019			
1998	3.382	1.461	1.140	1.042	1.095	1.039	1.020	1.011				
1999	2.808	1.312	1.111	1.150	1.051	1.023	1.020					
2000	3.285	1.180	1.323	1.076	1.043	1.036						
2001	2.164	1.748	1.144	1.044	1.034							
2002	5.674	1.347	1.110	1.033								
2003	3.173	1.269	1.102									
2004	2.425	1.304										
2005	2.416											

Average Development

Average Type	Evaluation Age in Months											
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to 144	144 to Ult.
All Years	3.117	1.332	1.140	1.067	1.039	1.029	1.020	1.015	1.011	1.001	1.000	
Latest 3	2.671	1.307	1.119	1.051	1.043	1.033	1.022	1.012	1.011	1.001	1.000	
Ex. Hi-Lo	2.966	1.306	1.127	1.058	1.033	1.028	1.021	1.014	1.012			
Wtd. Avg.	3.027	1.337	1.137	1.062	1.041	1.029	1.020	1.014	1.011	1.001	1.000	
Wtd. Last 3	2.647	1.306	1.117	1.048	1.041	1.032	1.021	1.012	1.011	1.001	1.000	
Selected Loss Development Factors												
Age-to-Age	3.027	1.337	1.137	1.062	1.041	1.029	1.020	1.014	1.011	1.001	1.000	1.000
Age-to-Ult	**5.479**	**1.810**	**1.354**	**1.191**	**1.122**	**1.078**	**1.047**	**1.027**	**1.012**	**1.001**	**1.000**	**1.000**

Exhibit 4, Sheet 4
The American Insurance Company
Dental Professional Liability
Claims-Made & Occurrence data on a Report Year basis

Paid Loss Development Factors by Report Year
Countrywide

Paid Losses and ALAE

Report Year	Evaluation Age in Months											
	12	24	36	48	60	72	84	96	108	120	132	144
1995	391,794	2,035,298	3,138,138	4,153,505	4,225,839	4,253,722	4,254,702	4,254,702	4,254,702	4,255,318	4,255,318	4,255,318
1996	241,647	1,289,538	3,545,608	3,869,640	3,894,431	3,920,661	3,937,904	3,966,795	4,026,245	4,033,993	4,033,993	-
1997	157,505	2,083,153	3,392,830	3,915,911	4,094,745	4,114,040	4,168,435	4,192,300	4,193,480	4,195,038	-	-
1998	422,274	2,313,522	3,213,047	3,793,197	3,815,212	3,845,678	3,854,660	3,880,459	3,880,714	-	-	-
1999	404,540	3,528,953	6,199,542	6,702,919	7,261,690	7,353,018	7,354,407	7,358,126	-	-	-	-
2000	404,540	3,108,562	5,171,938	6,319,059	7,065,185	7,770,027	8,062,802	-	-	-	-	-
2001	835,534	4,257,702	7,209,139	11,166,017	12,503,602	12,823,001	-	-	-	-	-	-
2002	823,635	7,206,761	14,309,699	17,950,547	20,799,361	-	-	-	-	-	-	-
2003	2,002,459	12,276,508	23,617,441	29,271,776	-	-	-	-	-	-	-	-
2004	1,203,539	7,394,985	14,640,307	-	-	-	-	-	-	-	-	-
2005	1,867,045	11,403,884	-	-	-	-	-	-	-	-	-	-
2006	1,919,530	-	-	-	-	-	-	-	-	-	-	-

Age-to-Age Factors

Report Year	Evaluation Age in Months											
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to 144	144 to Ult.
1995	5.195	1.542	1.324	1.017	1.007	1.000	1.000	1.000	1.000	1.000	1.000	
1996	5.336	2.750	1.091	1.006	1.007	1.004	1.007	1.015	1.002	1.000		
1997	13.226	1.629	1.154	1.046	1.005	1.013	1.006	1.000	1.000			
1998	5.479	1.389	1.181	1.006	1.008	1.002	1.007	1.000				
1999	8.723	1.757	1.081	1.083	1.013	1.000	1.001					
2000	7.684	1.664	1.222	1.118	1.100	1.038						
2001	5.096	1.693	1.549	1.120	1.026							
2002	8.750	1.986	1.254	1.159								
2003	6.131	1.924	1.239									
2004	6.144	1.980										
2005	6.108											

Average Development

Average Type	Evaluation Age in Months											
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to 144	144 to Ult.
All Years	7.079	1.831	1.233	1.069	1.023	1.010	1.004	1.004	1.001	1.000	1.000	
Latest 3	6.783	1.963	1.348	1.132	1.046	1.013	1.004	1.005	1.001	1.000	1.000	
Ex. Hi-Lo	6.617	1.772	1.209	1.065	1.012	1.005	1.004	1.000	1.000			
Wtd. Avg.	6.499	1.856	1.249	1.100	1.028	1.012	1.003	1.004	1.001	1.000	1.000	
Wtd. Last 3	6.126	1.956	1.294	1.139	1.042	1.016	1.003	1.005	1.001	1.000	1.000	

Selected Loss Development Factors

Age-to-Age	6.499	1.856	1.249	1.100	1.028	1.012	1.003	1.004	1.001	1.000	1.000	1.000
Age-to-Ult	**17.379**	**2.674**	**1.441**	**1.154**	**1.049**	**1.020**	**1.008**	**1.005**	**1.001**	**1.000**	**1.000**	**1.000**

Exhibit 4, Sheet 5
The American Insurance Company
Dental Professional Liability
Claims-Made & Occurrence data on a Report Year basis

Incurred Loss Development Factors by Report Year
Countrywide

Incurred Losses and ALAE

Report Year	Evaluation Age in Months											
	12	24	36	48	60	72	84	96	108	120	132	144
1995	1,314,308	3,325,793	3,950,635	4,469,134	4,284,839	4,265,760	4,254,702	4,254,702	4,254,702	4,255,318	4,255,318	4,255,318
1996	2,028,115	2,706,033	4,283,662	4,019,340	4,039,132	4,002,661	3,994,904	4,016,795	4,076,245	4,083,993	4,083,993	-
1997	1,179,509	3,606,091	3,909,840	4,064,919	4,135,249	4,124,042	4,193,437	4,252,302	4,243,482	4,245,041	-	-
1998	1,952,196	3,089,734	3,439,650	3,865,697	3,837,712	3,883,178	3,892,160	3,900,459	3,880,714	-	-	-
1999	2,682,237	5,422,297	6,603,554	6,802,928	7,322,547	7,356,350	7,354,407	7,359,026	-	-	-	-
2000	2,682,237	4,586,108	5,224,192	6,910,536	7,762,186	7,980,180	8,091,977	-	-	-	-	-
2001	3,794,215	4,503,711	8,622,853	12,034,287	12,945,137	12,730,477	-	-	-	-	-	-
2002	902,704	10,097,526	16,885,454	19,309,991	21,564,886	-	-	-	-	-	-	-
2003	5,438,589	18,689,780	28,599,682	33,118,671	-	-	-	-	-	-	-	-
2004	5,978,736	14,296,540	18,568,206	-	-	-	-	-	-	-	-	-
2005	10,743,360	20,781,723	-	-	-	-	-	-	-	-	-	-
2006	12,121,102	-	-	-	-	-	-	-	-	-	-	-

Age-to-Age Factors

Report Year	Evaluation Age in Months											
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to 144	144 to Ult.
1995	2.530	1.188	1.131	0.959	0.996	0.997	1.000	1.000	1.000	1.000	1.000	
1996	1.334	1.583	0.938	1.005	0.991	0.998	1.005	1.015	1.002	1.000		
1997	3.057	1.084	1.040	1.017	0.997	1.017	1.014	0.998	1.000			
1998	1.583	1.113	1.124	0.993	1.012	1.002	1.002	0.995				
1999	2.022	1.218	1.030	1.076	1.005	1.000	1.001					
2000	1.710	1.139	1.323	1.123	1.028	1.014						
2001	1.187	1.915	1.396	1.076	0.983							
2002	11.186	1.672	1.144	1.117								
2003	3.437	1.530	1.158									
2004	2.391	1.299										
2005	1.934											

Average Development

Average Type	Evaluation Age in Months											
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to 144	144 to Ult.
All Years	2.943	1.374	1.143	1.046	1.002	1.005	1.004	1.002	1.001	1.000	1.000	
Latest 3	4.737	1.500	1.232	1.105	1.005	1.005	1.006	1.003	1.001	1.000	1.000	
Ex. Hi-Lo	2.222	1.343	1.136	1.047	1.000	1.004	1.003	0.999	1.000			
Wtd. Avg.	2.354	1.423	1.160	1.072	1.000	1.005	1.004	1.002	1.001	1.000	1.000	
Wtd. Last 3	2.426	1.487	1.191	1.105	1.001	1.006	1.005	1.003	1.001	1.000	1.000	
Selected Loss Development Factors												
Age-to-Age	2.354	1.423	1.160	1.072	1.000	1.005	1.004	1.002	1.001	1.000	1.000	1.000
Age-to-Ult	**4.219**	**1.792**	**1.259**	**1.085**	**1.012**	**1.012**	**1.007**	**1.003**	**1.001**	**1.000**	**1.000**	**1.000**

Exhibit 4, Sheet 6
The American Insurance Company
Dental Professional Liability
Claims-Made & Occurrence data on a Report Year basis

Claim Count Development Factors by Report Year
Countrywide

Reported Claim Counts

Report Year	Evaluation Age in Months											
	12	24	36	48	60	72	84	96	108	120	132	144
1995	-	273	274	279	279	279	279	279	279	279	279	279
1996	316	343	346	346	346	346	346	346	346	346	346	-
1997	186	287	289	291	291	291	291	291	291	291	-	-
1998	206	265	271	271	271	272	272	272	273	-	-	-
1999	315	434	440	441	460	462	462	462	-	-	-	-
2000	315	544	552	608	630	630	634	-	-	-	-	-
2001	552	640	720	741	743	746	-	-	-	-	-	-
2002	438	978	1,068	1,083	1,093	-	-	-	-	-	-	-
2003	850	1,279	1,305	1,324	-	-	-	-	-	-	-	-
2004	805	984	1,008	-	-	-	-	-	-	-	-	-
2005	943	1,142	-	-	-	-	-	-	-	-	-	-
2006	924	-	-	-	-	-	-	-	-	-	-	-

Age-to-Age Factors

Report Year	Evaluation Age in Months											
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to 144	144 to Ult.
1995		1.004	1.018	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1996	1.085	1.009	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
1997	1.543	1.007	1.007	1.000	1.000	1.000	1.000	1.000	1.000			
1998	1.286	1.023	1.000	1.000	1.004	1.000	1.000	1.004				
1999	1.378	1.014	1.002	1.043	1.004	1.000	1.000					
2000	1.727	1.015	1.101	1.036	1.000	1.006						
2001	1.159	1.125	1.029	1.003	1.004							
2002	2.233	1.092	1.014	1.009								
2003	1.505	1.020	1.015									
2004	1.222	1.024										
2005	1.211											

Average Development

Average Type	Evaluation Age in Months											
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to 144	144 to Ult.
All Years	1.435	1.033	1.021	1.011	1.002	1.001	1.000	1.001	1.000	1.000	1.000	
Latest 3	1.313	1.046	1.019	1.016	1.003	1.002	1.000	1.001	1.000	1.000	1.000	
Ex. Hi-Lo	1.379	1.025	1.012	1.008	1.002	1.000	1.000	1.000	1.000			
Wtd. Avg.	1.455	1.041	1.023	1.013	1.002	1.002	1.000	1.001	1.000	1.000	1.000	
Wtd. Last 3	1.311	1.043	1.018	1.014	1.003	1.003	1.000	1.001	1.000	1.000	1.000	
Selected Loss Development Factors												
Age-to-Age	1.455	1.041	1.023	1.013	1.002	1.002	1.000	1.001	1.000	1.000	1.000	1.000
Age-to-Ult	**1.576**	**1.083**	**1.041**	**1.018**	**1.005**	**1.003**	**1.001**	**1.001**	**1.000**	**1.000**	**1.000**	**1.000**

Exhibit 6
The American Insurance Company
Dental Professional Liability

Projected Expenses

		2001	2002	2003	2004	2005	Selected
(1)	Direct Written Premium	233,543	207,738	156,590	155,744	142,703	
(2)	Direct Earned Premium	195,790	235,170	161,165	148,134	144,693	
	Expense Category:						
(3)	Commissions	48,063	43,176	33,303	33,030	32,051	
		20.6%	20.8%	21.3%	21.2%	22.5%	23.3%
(4)	Other Acquisitions	5,977	7,849	4,825	4,082	4,376	
		3.1%	3.3%	3.0%	2.8%	3.0%	3.0%
(5)	General	13,947	18,315	11,259	9,525	10,209	
		7.1%	7.8%	7.0%	6.4%	7.1%	7.1%
(6)	Taxes, Licenses, and Fees	4,793	5,859	4,000	3,304	2,700	
		2.4%	2.5%	2.5%	2.2%	1.9%	2.3%
(7)	Subtotal	72,780	75,199	53,387	49,941	49,336	
		33.2%	34.4%	33.7%	32.6%	34.4%	35.7%
(8)	Unallocated Loss Adjustment Expenses	5,542	-7,126	4,309	3,488	1,671	
		2.8%	-3.0%	2.7%	2.4%	1.2%	2.1%
(9)	Profit Load						9.2%
(10)	Total Expenses						47.0%
(11)	Permissible Loss and Allocated Loss Adjustment Expense Ratio						53.0%

Notes:

Based on IEE for Medical Malpractice using Fireman's Fund Insurance Companies consolidated data.
(3) Selected is planned 2007 Dental commission rate to be paid.
(11) = 1.00 - (10)

Exhibit 7
The American Insurance Company

Fireman's Fund Consolidated
Professional Liability
Calculation of Underwriting Profit Provision

		2001	2002	2003	2004	2005	Selected
(1)	Earned Premium (AS Page 4, Line 1, Col 1)	$4,084,898,912	$2,624,676,440	$3,951,255,938	$4,210,707,223	$4,327,051,937	
(2)	Investable Assets (AS Page 2, Line 10, Col 3)	$10,562,407,685	$10,561,863,002	$10,808,273,330	$9,725,795,497	$9,516,052,182	
(3)	Surplus (AS Page 3, Line 35, Col 1)	$1,945,394,297	$2,239,490,119	$2,858,865,888	$2,930,106,208	$2,850,201,410	
(4)	Net Investment Income Earned (AS Page 4, Line 9, Col 1)	$446,350,525	$472,473,418	$511,123,917	$483,732,059	$476,477,702	
(5)	Net Realized Capital Gains (AS Page 4, Line 10, Col 1)	($215,687,471)	($208,169,492)	($9,147,171)	$10,758,814	$41,408,600	
(6)	Premium-to-Surplus ratio (1) / (3)	2.10	1.17	1.38	1.44	1.52	**1.30**
(7)	Professional Liability Occurrence Premium-to-Capital ratio						**0.91**
(8)	Premium-to-Assets ratio (1) / (2)	0.39	0.25	0.37	0.43	0.45	**0.34**
(9)	Target After-Tax ROE						**15.0%**
(10)	Tax Rate						**35.0%**
(11)	Return on Assets [(4) + (5)] / (2)	2.2%	2.5%	4.6%	5.1%	5.4%	**5.5%**

(UW Income + Investment Income) x (1 - Tax Rate) = (Allocated Capital) x (Target After-Tax ROE)

(12)	UW Profit Provision [(9) / (7)] / [1 - (10)] - [(11) / (8)]	**9.2%**